

Nordic IT Denmark ApS

Lottenborgvej 26, 2800 Kgs. Lyngby

Company reg. no. 40 66 45 48

Annual report

1 January - 31 December 2022

The annual report was submitted and approved by the general meeting on the 6 July 2023.

DocuSigned by:

Christopher Burney

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Christopher Holland Burney
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's statement

Today, the Executive Board has approved the annual report of Nordic IT Denmark ApS for the financial year 1 January - 31 December 2022.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Kgs. Lyngby, 6 July 2023

Executive board

DocuSigned by:
Justin Brady
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Justin Alexander Brady

DocuSigned by:
Christopher Burney
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Christopher Holland Burney

DocuSigned by:
Paul Salisbury
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Paul Crandle Salisbury

DocuSigned by:
J. Michael Girdley
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John Michael Girdley

Independent auditor's report

To the Shareholders of Nordic IT Denmark ApS

Opinion

We have audited the financial statements of Nordic IT Denmark ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we refer to the information in the note 1 in the financial statements, where the management has explained the preconditions for presenting the annual accounts with continued operations in mind.

We have not found a basis for making a different assessment than the management, but highlight the uncertainty associated with the company's continued operations.

Emphasis of Matter

The management of Nordic IT has after the submission of the 2021 financial report concluded the goodwill and intangibles assets was subject to impairment. The regulation is considered to be a significant error in the accounting estimates regarding the goodwill and the intangible assets in 2021 which is why the comparative figures has been changed. For further information we refer to the section under the accounting policies, where the changes are described and specified.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditor's report

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen V, 6 July 2023

RSM Denmark

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 49 21 45



Peter Arent Benkjer

State Authorised Public Accountant
mne35785

Company information

The company

Nordic IT Denmark ApS
Lottenborgvej 26
2800 Kgs. Lyngby

Company reg. no. 40 66 45 48
Financial year: 1 January - 31 December
3rd financial year

Executive board

Justin Alexander Brady
Christopher Holland Burney
Paul Crandle Salisbury
John Michael Girdley

Auditors

RSM Denmark Statsautoriseret Revisionspartnerselskab
Ved Vesterport 6, 5. sal
1612 København V

Parent company

Nordic IT, LLC, 425 Soledad St. Suite 250, San Antonio, TX 78205,
USA

Management's review

The principal activities of the company

The objectives of the company are developing software applications, and to operate agency, commercial and manufacturing business.

Uncertainties about recognition or measurement

Management is aware that the company has lost the equity and is covered by section 119 of the Danish Companies Act.

The management is working on adjusting the costs to the current level of activity and it is the management's expectation that operations will be profitable going forward.

The company has almost exclusively intercompany debt as of 31 December 2022. The company's continued operations are dependent on financial support from the parent company, which has submitted a statement of support for the next 12 months after approval of the annual report. The intercompany debt does not fall due for payment in 2023. On that basis, the management assesses that the company fulfills the condition of going concern.

Development in activities and financial matters

The gross profit for the year totals DKK 11.881.365 against DKK 7.234.363 last year. Management considers the net profit or loss for the year satisfactory. The company's income statement for the year ended 31 December 2022 shows a loss of DKK 503.462, and the balance sheet at 31 December 2022 shows negative equity of DKK 6.244.189.

Events occurring after the end of the financial year

After end of the financial year, no events have occurred that will significantly affect the company's financial position.

Accounting policies

The annual report for Nordic IT Denmark ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The annual report is presented in DKK.

Change in the accounting estimates

After the audit of the 2021 annual report, the company have made changes to the accounting estimates in 2021 regarding the goodwill and the intangibles assests. The reason behind the change in the accounting estime because the goodwill and intangible assets was subject to imparment as this would be give a more fair and accurate depiction of the goodwill and intangible assets.

The accumulated effects of the change in accounting estimates pr. 31. december 2021 is:

- Netprofit or loss 0 DKK.
- Intangibles asstes -3.399.682 DKK
- Receivables from subsidiaries 3.075.399 DKK
- Equity 203.365 DKK.
- Payables from subsidiaries 235.971 DKK

Besides the above changes are the accounting policies are unchanged from last year

The Comparative figures have been changed accordingly to the change in the accounting policies.

Recognition and measurement in general

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will low to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Accounting policies

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning hosting fees etc.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises and loss on receivables.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Accounting policies

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

Accounting policies

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	11.940.376	7.150.871
2 Staff costs	-6.965.875	-4.320.611
Depreciation, amortisation, and impairment	-3.540.561	-3.701.708
Operating profit	1.433.940	-871.448
Other financial income	595.779	0
3 Other financial costs	-3.229.280	-1.900.221
Pre-tax net profit or loss	-1.199.561	-2.771.669
4 Tax on net profit or loss for the year	0	-144.014
Profit or loss from ordinary activities after tax	-1.199.561	-2.915.683
Net profit or loss for the year	-1.199.561	-2.915.683
Proposed distribution of net profit:		
Allocated from retained earnings	-1.199.561	-2.915.683
Total allocations and transfers	-1.199.561	-2.915.683

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Non-current assets		
5 Completed development projects, including patents and similar rights arising from development projects	1.285.148	3.458.547
6 Concessions, patents, licenses, trademarks, and similar rights acquired	1.066.760	1.530.176
7 Goodwill	8.019.669	8.834.525
Total intangible assets	<u>10.371.577</u>	<u>13.823.248</u>
8 Other fixtures and fittings, tools and equipment	0	88.889
Total property, plant, and equipment	<u>0</u>	<u>88.889</u>
9 Deposits	194.004	182.183
Total investments	<u>194.004</u>	<u>182.183</u>
Total non-current assets	<u>10.565.581</u>	<u>14.094.320</u>
Current assets		
Trade receivables	2.860.647	1.385.644
Receivables from subsidiaries	4.643.280	4.410.186
Deferred tax assets	80.007	80.007
Other receivables	6.891	158.994
Prepayments and accrued income	55.926	0
Total receivables	<u>7.646.751</u>	<u>6.034.831</u>
Cash on hand and demand deposits	<u>2.767.754</u>	<u>3.377.370</u>
Total current assets	<u>10.414.505</u>	<u>9.412.201</u>
Total assets	<u>20.980.086</u>	<u>23.506.521</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	40.000	40.000
Retained earnings	-6.980.288	-5.712.281
Total equity	-6.940.288	-5.672.281
Liabilities other than provisions		
Payables to group enterprises	20.911.726	20.148.107
Total long term liabilities other than provisions	20.911.726	20.148.107
Bank loans	79.814	33.083
Prepayments received from customers	2.105.047	1.782.013
Trade payables	659.479	2.073.653
Payables to group enterprises	653.504	653.504
Other payables	3.510.804	4.488.442
Total short term liabilities other than provisions	7.008.648	9.030.695
Total liabilities other than provisions	27.920.374	29.178.802
Total equity and liabilities	20.980.086	23.506.521

1 Uncertainties concerning recognition and measurement

10 Contingencies

11 Related parties

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	40.000	-2.999.963	-2.959.963
Retained earnings for the year	0	-2.915.683	-2.915.683
Correction in capital gains	0	203.365	203.365
Equity 1 January 2022	40.000	-5.712.281	-5.672.281
Retained earnings for the year	0	-1.199.561	-1.199.561
Correction in capital gains	0	-68.446	-68.446
	40.000	-6.980.288	-6.940.288

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Uncertainties concerning recognition and measurement		
Management is aware that the company has lost the equity and is covered by section 119 of the Danish Companies Act.		
The management is working on adjusting the costs to the current level of activity and it is the management's expectation that operations will be profitable going forward.		
The company has almost exclusively intercompany debt as of 31 December 2022. The company's continued operations are dependent on financial support from the parent company, which has submitted a statement of support for the next 12 months after approval of the annual report. The intercompany debt does not fall due for payment in 2023. On that basis, the management assesses that the company fulfills the condition of going concern.		
2. Staff costs		
Salaries and wages	6.747.329	3.907.353
Pension costs	209.458	349.279
Other costs for social security	9.088	63.979
	<u>6.965.875</u>	<u>4.320.611</u>
Average number of employees	<u>8</u>	<u>6</u>
3. Other financial costs		
Financial costs, group enterprises	3.167.724	528.460
Other financial costs	61.556	1.371.761
	<u>3.229.280</u>	<u>1.900.221</u>
4. Tax on net profit or loss for the year		
Adjustment of deferred tax for the year	<u>0</u>	<u>144.014</u>
	<u>0</u>	<u>144.014</u>

Notes

All amounts in DKK.

5. Completed development projects, including patents and similar rights arising from development projects

Cost 1 January 2022	10.866.999	10.866.999
Cost 31 December 2022	10.866.999	10.866.999
Amortisation and writedown 1 January 2022	-7.408.452	-3.078.983
Amortisation and depreciation for the year	-2.173.399	-2.173.400
Impairment loss for the year	0	-2.156.069
Amortisation and writedown 31 December 2022	-9.581.851	-7.408.452
Carrying amount, 31 December 2022	1.285.148	3.458.547

6. Concessions, patents, licenses, trademarks, and similar rights acquired

Cost 1 January 2022	3.096.184	3.096.184
Cost 31 December 2022	3.096.184	3.096.184
Amortisation and writedown 1 January 2022	-1.566.008	-656.506
Amortisation and depreciation for the year	-463.416	-463.416
Impairment loss for the year	0	-446.086
Amortisation and writedown 31 December 2022	-2.029.424	-1.566.008
Carrying amount, 31 December 2022	1.066.760	1.530.176

7. Goodwill

Cost 1 January 2022	12.701.606	12.701.606
Cost 31 December 2022	12.701.606	12.701.606
Amortisation and writedown 1 January 2022	-3.867.081	-1.812.162
Amortisation and depreciation for the year	-814.856	-1.257.393
Impairment loss for the year	0	-797.526
Amortisation and writedown 31 December 2022	-4.681.937	-3.867.081
Carrying amount, 31 December 2022	8.019.669	8.834.525

Notes

All amounts in DKK.

	<u>31/12 2022</u>	<u>31/12 2021</u>
8. Other fixtures and fittings, tools and equipment		
Cost 1 January 2022	400.000	400.000
Cost 31 December 2022	400.000	400.000
Depreciation and writedown 1 January 2022	-311.111	-177.778
Amortisation and depreciation for the year	-88.889	-133.333
Depreciation and writedown 31 December 2022	-400.000	-311.111
Carrying amount, 31 December 2022	0	88.889
9. Deposits		
Cost 1 January 2022	182.183	179.491
Additions during the year	11.821	2.692
Cost 31 December 2022	194.004	182.183
Carrying amount, 31 December 2022	194.004	182.183

10. Contingencies

Contingent liabilities

The company has a rent contract with a total obligation of TDKK 302. The rent contract cannot be terminated until 31.07.2022 whereafter it can be terminated with a 6 months' notice.

11. Related parties

Controlling interest

Nordic IT, LLC, 425 Soledad St. Suite 250, San Antonio, TX 78205, USA Majority shareholder

Consolidated financial statements

The company is included in the consolidated financial statements of Dura Software, INC., USA, Texas.