

Eurekos Systems ApS

Torvet 4A, 2. 2.
3400 Hillerød

CVR no. 40 84 54 88

Annual report for 2022

Adopted at the annual general meeting
on 21 March 2023

Anders Willumsen
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	2
Independent auditor's report	3
Management's review	
Company details	6
Management's review	7
Financial statements	
Income statement 1 January 2022 - 31 December 2022	8
Balance sheet at 31 December 2022	9
Notes	11
Accounting policies	15

Statement by management on the annual report

The executive board has today discussed and approved the annual report of Eurekos Systems ApS for the financial year 1 January - 31 December 2022.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Hillerød, 13 March 2023

Executive board

Anders Willumsen

Independent auditor's report

To the shareholder of Eurekos Systems ApS

Opinion

We have audited the financial statements of Eurekos Systems ApS for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. 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 company's financial position 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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.
- 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.

Independent auditor's report

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 Statements Act. We did not identify any material misstatement of management's review.

Hillerød, 13 March 2023

RTS
statsautoriseret revisionsaktieselskab
CVR no. 34 87 97 53

Bo Wulffsberg
statsautoriseret revisor
MNE no. mne33215

Company details

The company

Eurekos Systems ApS
Torvet 4A, 2. 2.
3400 Hillerød

CVR no.: 40 84 54 88

Reporting period: 1 January - 31 December 2022

Domicile: Hillerød

Executive board

Anders Willumsen

Auditors

RTS
statsautoriseret revisionsaktieselskab
Slotsgade 14A, 1. sal
3400 Hillerød

Lawyers

Kromann Reumert
Sundkrogsgade 5
2100 København Ø

Bankers

Sparekassen Kronjylland
Kirkebyvej 20
6852 Billum

Management's review

Business review

The company's activities consists of development and sale of software as well as related services, training and consulting.

Financial review

The company's income statement for the year ended 31 December 2022 shows a profit of DKK 1,286,392, and the balance sheet at 31 December 2022 shows equity of DKK 5,089,683.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January 2022 - 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Gross profit		5,464,347	5,887,464
Staff costs	1	<u>-2,263,495</u>	<u>-2,301,711</u>
Profit/loss before amortisation/depreciation and impairment losses		3,200,852	3,585,753
Depreciation, amortisation and impairment of intangible assets	2	<u>-1,355,576</u>	<u>-689,631</u>
Profit/loss before net financials		1,845,276	2,896,122
Financial income		75	0
Financial costs	3	<u>-193,298</u>	<u>-120,963</u>
Profit/loss before tax		1,652,053	2,775,159
Tax on profit/loss for the year	4	<u>-365,661</u>	<u>-636,280</u>
Profit/loss for the year		<u>1,286,392</u>	<u>2,138,879</u>
Recommended appropriation of profit/loss			
Transferred to reserve for development expenditure		2,532,714	2,124,590
Retained earnings		<u>-1,246,322</u>	<u>14,289</u>
		<u>1,286,392</u>	<u>2,138,879</u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Assets			
Completed development projects		7,999,011	4,751,942
Software		560,607	643,660
Intangible assets	5	<u>8,559,618</u>	<u>5,395,602</u>
Other fixtures and fittings, tools and equipment	6	118,309	182,672
Tangible assets		<u>118,309</u>	<u>182,672</u>
Deposits		159,850	159,850
Fixed asset investments		<u>159,850</u>	<u>159,850</u>
Total non-current assets		<u>8,837,777</u>	<u>5,738,124</u>
Trade receivables		2,393,091	2,143,908
Other receivables		8,493	106,751
Prepayments		0	79,174
Receivables		<u>2,401,584</u>	<u>2,329,833</u>
Cash at bank and in hand		<u>105,369</u>	<u>95,865</u>
Total current assets		<u>2,506,953</u>	<u>2,425,698</u>
Total assets		<u>11,344,730</u>	<u>8,163,822</u>

Balance sheet at 31 December 2022

	<u>Note</u>	<u>2022</u> DKK	<u>2021</u> DKK
Equity and liabilities			
Share capital		46,243	40,000
Reserve for development expenditure		6,239,229	3,706,515
Retained earnings		<u>-1,195,789</u>	<u>50,533</u>
Equity	7	<u>5,089,683</u>	<u>3,797,048</u>
Provision for deferred tax		<u>1,430,510</u>	<u>1,064,849</u>
Total provisions		<u>1,430,510</u>	<u>1,064,849</u>
Banks		2,607,163	1,392,518
Trade payables		319,825	565,302
Prepayments received recognised in debt		0	753,184
Payables to group entities		1,378,321	21,041
Corporation tax		0	21,752
Other payables		367,818	548,128
Deferred income		<u>151,410</u>	<u>0</u>
Total current liabilities		<u>4,824,537</u>	<u>3,301,925</u>
Total liabilities		<u>4,824,537</u>	<u>3,301,925</u>
Total equity and liabilities		<u>11,344,730</u>	<u>8,163,822</u>
Rent and lease liabilities	8		
Contingent liabilities	9		
Mortgages and collateral	10		

Notes

	<u>2022</u>	<u>2021</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	2,107,478	2,264,027
Pensions	124,396	21,822
Other social security costs	<u>31,621</u>	<u>15,862</u>
	<u>2,263,495</u>	<u>2,301,711</u>
Average number of employees	<u>4</u>	<u>4</u>
2 Depreciation, amortisation and impairment of intangible assets		
Depreciation intangible assets	1,287,881	679,215
Depreciation tangible assets	<u>67,695</u>	<u>10,416</u>
	<u>1,355,576</u>	<u>689,631</u>
3 Financial costs		
Interest paid to subsidiaries	10,529	7,168
Other financial costs	157,958	87,667
Exchange loss	24,811	25,254
Percentage surcharge, corporation tax	<u>0</u>	<u>874</u>
	<u>193,298</u>	<u>120,963</u>
4 Tax on profit/loss for the year		
Current tax for the year	0	20,878
Deferred tax for the year	<u>365,661</u>	<u>615,402</u>
	<u>365,661</u>	<u>636,280</u>

Notes

5 Intangible assets

	Completed de- velopment pro- jects	Software
Cost at 1 January 2022	6,024,140	830,529
Additions for the year	4,451,897	0
Cost at 31 December 2022	10,476,037	830,529
AA Impairment losses and amortisation at 1 January 2022	1,272,198	186,869
Depreciation for the year	1,204,828	83,053
AA Impairment losses and amortisation at 31 December 2022	2,477,026	269,922
Carrying amount at 31 December 2022	7,999,011	560,607

6 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2022	193,088
Cost at 31 December 2022	193,088
Impairment losses and depreciation at 1 January 2022	10,416
Depreciation for the year	64,363
Impairment losses and depreciation at 31 December 2022	74,779
Carrying amount at 31 December 2022	118,309

Notes

7 Equity

	Share capital	Reserve for de- velopment ex- penditure	Retained ear- nings	Total
Equity at 1 January 2022	40,000	3,706,515	50,533	3,797,048
Cash capital increase	6,243	0	0	6,243
Net profit/loss for the year	0	2,532,714	-1,246,322	1,286,392
Equity at 31 December 2022	46,243	6,239,229	-1,195,789	5,089,683

The share capital consists of:

	Nominal va- lue
33,000 A shares of DKK 1	33,000
13,243 B shares of DKK 1	13,243
	46,243

The share capital has developed as follows:

	2022 DKK	2021 DKK	2020 DKK	2019 DKK
Share capital at 1 January 2022	40,000	40,000	40,000	0
Additions for the year	6,243	0	0	40,000
Share capital	46,243	40,000	40,000	40,000

8 Rent and lease liabilities

Operating lease liabilities.

Total future lease payments:

	2022 DKK	2021 DKK
Within 1 year	272,400	206,250
Between 1 and 5 years	408,600	515,625
	681,000	721,875

Notes

9 Contingent liabilities

The company is jointly taxed with its parent company, IKEAA ApS (management company), and has limited and secondary liability together with other jointly taxed entities for payment of income taxes.

10 Mortgages and collateral

The company has placed existing and future receivables arising from sale of goods and services, other fixtures and fittings, tools and equipment, goodwill, domain names and other rights as security for bank debt in accordance with the rules on company charges (floating charges) totalling a maximum of DKK 3,000.

The carrying amount of assets covered by the company charge totals DKK 11,071 thousand at 31 December 2022.

Accounting policies

The annual report of Eurekos Systems ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2022 is presented in DKK

Basis of recognition and measurement

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 flow 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 using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other operating income less direct costs and other external expenses.

Accounting policies

Revenue

Income from the sale of services is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Expenses for production and delivery

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external costs

Other external costs include expenses related to sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

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, realised and unrealised capital/exchange gains and losses on liabilities and foreign currency transactions and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Accounting policies

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects and software

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually three years.

Software rights are measured at cost less accumulated amortisation and impairment losses. Software rights are amortised on a straight-line basis over no more than five years.

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3 years	0-10 %

Gains and losses on the sale of items of property, plant and equipment are calculated as the difference between the selling price, less costs to sell, and the carrying amount at the time of sale. Gains or losses on the sale of items of property, plant and equipment are recognised in the income statement under other operating income or other operating expenses, respectively.

Accounting policies

Receivables

Receivables are measured at amortised cost.

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

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Equity

Reserve for development costs

An amount corresponding to capitalised development costs is recognised in the reserve. The reserve is reduced as development costs are amortised.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

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.

Accounting policies

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

The compensated absence commitment which the company's employees earn during the transitional period from 1 September 2019 to 31 August 2020, is administered by the company and is paid in to the Danish Holiday Fund before the employee reaches the pensionable age. Other debt is measured at amortised cost, which usually corresponds to the nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.