

Cognigen ApS

c/o Martinsen, Voldbjergvej 16, 2. tv, 8240 Risskov

Annual report

2019/20

Company reg. no. 40 91 80 78

The annual report was submitted and approved by the general meeting on the 1 December 2020.

John Robert Kneisel
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British 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 %.

Management's report

Today, the executive board has presented the annual report of Cognigen ApS for the financial year 2019/20.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 August 2020 and of the company's results of activities in the financial year 28 October 2019 - 31 August 2020.

The executive board consider the conditions for audit exemption of the 2019/20 financial statements to be met.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Risskov, 1 December 2020

Executive board

John Robert Kneisel
Director

Shawn Michael O'Connor
Director

Walter Stanley Woltosz
Director

Auditor's report on compilation of the financial statements

To the management of Cognigen ApS

We have compiled the financial statements of Cognigen ApS for the financial year 28 October 2019 - 31 August 2020 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Risskov, 1 December 2020

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Søren Anthon Pedersen

State Authorised Public Accountant
mne10154

Company information

The company

Cognigen ApS
c/o Martinsen
Voldbjergvej 16, 2. tv
8240 Risskov

Company reg. no. 40 91 80 78
Established: 28 October 2019
Domicile: Aarhus
Financial year: 28 October - 31 August
1st financial year

Executive board

John Robert Kneisel, Director
Shawn Michael O'Connor, Director
Walter Stanley Woltoz, Director

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Voldbjergvej 16, 2. sal
8240 Risskov

Parent company

Simulations Plus, Inc.
42505 Tenth Street West
Lancaster, CA 93534
USA

Management commentary

The principal activities of the company

The principal activities of the company is to operate within the consultancy business and any other related activity.

Development in activities and financial matters

The gross profit for the year totals DKK 1.899.350. Income or loss from ordinary activities after tax totals DKK 72.911. Management considers the net profit or loss for the year satisfactory.

Accounting policies

The annual report for Cognigen 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. The annual report comprises the first financial year and hence comparative figures are not available.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, 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.

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.

Income statement

Gross profit

Gross profit comprises the revenue 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. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Other external costs comprise costs incurred for administration.

Accounting policies

Staff costs

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

Financial expenses

Financial expenses comprise interest. Financial expenses are recognised in the income statement with the amounts concerning the financial year.

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

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

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

Income statement

All amounts in DKK.

<u>Note</u>	28/10 2019 - 31/8 2020
Gross profit	1.899.350
1 Staff costs	-1.802.671
Operating profit	96.679
2 Other financial costs	-2.516
Pre-tax net profit or loss	94.163
3 Tax on net profit or loss for the year	-21.252
Net profit or loss for the year	72.911
 Proposed appropriation of net profit:	
Transferred to retained earnings	72.911
Total allocations and transfers	72.911

Statement of financial position

All amounts in DKK.

Assets		
<u>Note</u>		<u>31/8 2020</u>
Current assets		
	Receivables from group enterprises	417.949
	Other receivables	<u>116.096</u>
	Total receivables	<u>534.045</u>
	Total current assets	<u>534.045</u>
	Total assets	<u>534.045</u>

Statement of financial position

All amounts in DKK.

<u>Note</u>	<u>31/8 2020</u>
Equity and liabilities	
Equity	
4 Contributed capital	40.000
5 Retained earnings	72.911
Total equity	<u>112.911</u>
 Liabilities other than provisions	
Trade payables	39.846
Income tax payable	21.252
Other payables	360.036
Total short term liabilities other than provisions	<u>421.134</u>
 Total liabilities other than provisions	 <u>421.134</u>
 Total equity and liabilities	 <u>534.045</u>

Notes

All amounts in DKK.

	28/10 2019 - 31/8 2020
	<u> </u>
1. Staff costs	
Salaries and wages	1.627.344
Pension costs	163.271
Other costs for social security	<u>12.056</u>
	<u>1.802.671</u>
Average number of employees	<u>2</u>
2. Other financial costs	
Other financial costs	<u>2.516</u>
	<u>2.516</u>
3. Tax on net profit or loss for the year	
Tax of the results for the year, parent company	<u>21.252</u>
	<u>21.252</u>
4. Contributed capital	
Cash capital increase	<u>40.000</u>
	<u>40.000</u>
5. Retained earnings	
Profit or loss for the year brought forward	<u>72.911</u>
	<u>72.911</u>