



CHRISTENSEN
KJÆRULFF
PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

CVR: 15 91 56 41

TLF: 33 30 15 15

ØSTBANEGADE 123
2100 KØBENHAVN Ø

E-MAIL: CK@CK.DK
WEB: WWW.CK.DK

Rune AI ApS

c/o Spilhuset, Pilestræde 43, 1., 1112 København K

Company reg. no. 40 97 14 32

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 27 May 2024.

Bjarke Felbo
Chairman of the meeting



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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 %.



Management's statement

Today, the managing director has presented the annual report of Rune AI ApS for the financial year 1 January - 31 December 2023.

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

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2023 and of the company's results of activities in the financial year 1 January – 31 December 2023.

The managing director considers the conditions for audit exemption of the 2023 financial statements to be met.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Copenhagen, 27 May 2024

Managing Director

Bjarke Felbo
CEO



Practitioner's compilation report

To the Shareholders of Rune AI ApS

We have compiled the financial statements of Rune AI ApS for the financial year 1 January - 31 December 2023 based on the company's bookkeeping and on information you have provided.

These financial statements comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist Management in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) including principles of integrity, objectivity, professional competence and due care.

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

Since 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 to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 27 May 2024

Christensen Kjarulff

Company reg. no. 15 91 56 41

Iver Haugsted

State Authorised Public Accountant
mne10678



Company information

The company

Rune AI ApS
c/o Spilhuset
Pilestræde 43, 1.
1112 København K

Company reg. no. 40 97 14 32
Established: 29 November 2019
Domicile: Copenhagen
Financial year: 1 January - 31 December
4th financial year

Managing Director

Bjarke Felbo, CEO

Auditors

Christensen Kjarulff
Statsautoriseret Revisionsaktieselskab
Østbanegade 123
2100 København Ø

Parent company

Rune AI Inc, USA



Management's review

The principal activities of the company

The company's activities are to conduct business with the development, service and sale of technology-based products and functions as well as related activities.

Development in activities and financial matters

The gross profit for the year totals DKK 1.634.532 against DKK 1.776.248 last year. Income or loss from ordinary activities after tax totals DKK 59.627 against DKK 92.018 last year. Management considers the net profit or loss for the year satisfactory.



Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	1.634.532	1.776.248
1 Staff costs	-1.622.505	-1.656.853
Other financial income	66.489	0
2 Other financial costs	-1.619	-1.397
Pre-tax net profit or loss	76.897	117.998
Tax on net profit or loss for the year	-17.270	-25.980
Net profit or loss for the year	59.627	92.018
Proposed distribution of net profit:		
Transferred to retained earnings	59.627	92.018
Total allocations and transfers	59.627	92.018



Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Current assets		
Receivables from group enterprises	267.662	231.343
Other receivables	4.180	1.925
Total receivables	<u>271.842</u>	<u>233.268</u>
Cash on hand and demand deposits	<u>205.788</u>	<u>136.929</u>
Total current assets	<u>477.630</u>	<u>370.197</u>
Total assets	<u>477.630</u>	<u>370.197</u>



Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity		
Contributed capital	100.000	100.000
Retained earnings	159.008	99.381
Total equity	<u>259.008</u>	<u>199.381</u>
Liabilities other than provisions		
Trade payables	25.050	16.550
Income tax payable	17.270	25.960
Other payables	176.302	128.306
Total short term liabilities other than provisions	<u>218.622</u>	<u>170.816</u>
Total liabilities other than provisions	<u>218.622</u>	<u>170.816</u>
Total equity and liabilities	<u>477.630</u>	<u>370.197</u>



Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	40.000	14.726	54.726
Cash capital increase	60.000	0	60.000
Retained earnings for the year	0	84.655	84.655
Equity 1 January 2023	100.000	99.381	199.381
Retained earnings for the year	0	59.627	59.627
	100.000	159.008	259.008



Notes

All amounts in DKK.

	<u>2023</u>	<u>2022</u>
1. Staff costs		
Salaries and wages	1.611.653	1.649.056
Other costs for social security	<u>10.852</u>	<u>7.797</u>
	<u>1.622.505</u>	<u>1.656.853</u>
Average number of employees	<u>2</u>	<u>2</u>
2. Other financial costs		
Other financial costs	<u>1.619</u>	<u>1.397</u>
	<u>1.619</u>	<u>1.397</u>



Accounting policies

The annual report for Rune AI 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 accounting policies are unchanged from last year, and the annual report is presented in DKK.

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.

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, changes in inventories of finished goods, and work in progress, own work capitalised, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.



Accounting policies

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Other external costs comprise costs incurred for sales, advertising, administration and premises.

Staff costs

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

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

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 nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.



Accounting policies

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

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 on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

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.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Dette dokument er underskrevet af nedenstående parter, der med deres underskrift har bekræftet dokumentets indhold samt alle datoer i dokumentet.

This document is signed by the following parties with their signatures confirming the documents content and all dates in the document.

Bjarke Felbo

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Direktør

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Iver Haugsted

Navnet returneret af dansk MitID var:

Iver Haugsted

Revisor

På vegne af Christensen Kjærulff

ID: dfa1d547-321d-42ea-8625-f5523924e0cf

Tidspunkt for underskrift: 30-05-2024 kl.: 16:01:03

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Bjarke Felbo

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Dirigent

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