

XtensionIT ApS

Jernbanegade 1, 2.
5000 Odense C
CVR No. 41345136

Annual report 2022

The Annual General Meeting adopted the
annual report on 23.05.2023

Rasmus Ravnholdt Knudsen
Chairman of the General Meeting

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Entity details

Entity

XtensionIT ApS
Jernbanegade 1, 2.
5000 Odense C

Business Registration No.: 41345136
Registered office: Odense
Financial year: 01.01.2022 - 31.12.2022

Executive Board

Anders Østergaard
Svend Stenberg Mølholt
Rasmus Ravnholdt Knudsen
Simon Eglin Berthelsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of XtensionIT ApS for the financial year 01.01.2022 - 31.12.2022.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Odense, 23.05.2023

Executive Board

Anders Østergaard

Svend Stenberg Mølholt

Rasmus Ravnholdt Knudsen

Simon Eglin Berthelsen

Independent auditor's report

To the shareholder of XtensionIT ApS

Opinion

We have audited the financial statements of XtensionIT ApS for the financial year 01.01.2022 - 31.12.2022, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2022 and of the results of its operations for the financial year 01.01.2022 - 31.12.2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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.

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.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 23.05.2023

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Siggaard Hansen

State Authorised Public Accountant
Identification No (MNE) mne32208

Muhammad Ismaeel Rasul

State Authorised Public Accountant
Identification No (MNE) mne46641

Management commentary

Primary activities

The main activity of the Company is to own IP rights, offer IT solutions and other related solutions and to profit from license income.

Description of material changes in activities and finances

The result for the year shows a profit of DKK 127,454 against a loss of DKK 34,507 last year. The result for the year is considered satisfactory.

Monjasa Holding A/S has issued a comfort letter to support the operation and financing throughout the next year.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2022

| | Notes | 2022 DKK | 2021 DKK |
|--|-------|------------------|-----------------|
| Gross profit/loss | | 1,732,764 | 152,906 |
| Depreciation, amortisation and impairment losses | | (1,125,746) | (176,641) |
| Operating profit/loss | | 607,018 | (23,735) |
| Other financial income | 2 | 5,256 | 1,683 |
| Other financial expenses | 3 | (239,233) | (25,246) |
| Profit/loss before tax | | 373,041 | (47,298) |
| Tax on profit/loss for the year | 4 | (245,587) | 12,791 |
| Profit/loss for the year | | 127,454 | (34,507) |
| Proposed distribution of profit and loss | | | |
| Retained earnings | | 127,454 | (34,507) |
| Proposed distribution of profit and loss | | 127,454 | (34,507) |

Balance sheet at 31.12.2022

Assets

| | Notes | 2022 DKK | 2021 DKK |
|------------------------------------|-------|-------------------|------------------|
| Completed development projects | 6 | 2,460,968 | 2,010,917 |
| Acquired intangible assets | | 1,831,056 | 797,634 |
| Goodwill | | 550,000 | 0 |
| Development projects in progress | 6 | 3,849,568 | 1,679,376 |
| Intangible assets | 5 | 8,691,592 | 4,487,927 |
| Fixed assets | | 8,691,592 | 4,487,927 |
| Trade receivables | | 200,810 | 145,224 |
| Receivables from group enterprises | | 5,459 | 0 |
| Other receivables | | 179,497 | 673,361 |
| Income tax receivable | | 1,113,953 | 238,375 |
| Prepayments | | 102,191 | 0 |
| Receivables | | 1,601,910 | 1,056,960 |
| Current assets | | 1,601,910 | 1,056,960 |
| Assets | | 10,293,502 | 5,544,887 |

Equity and liabilities

| | Notes | 2022 DKK | 2021 DKK |
|--|--------------|---------------------|---------------------|
| Contributed capital | | 40,000 | 40,000 |
| Reserve for development expenditure | | 4,922,217 | 2,847,635 |
| Retained earnings | | (4,825,553) | (2,878,425) |
| Equity | | 136,664 | 9,210 |
| Deferred tax | | 1,496,413 | 229,431 |
| Provisions | | 1,496,413 | 229,431 |
| Bank loans | | 21,306 | 288 |
| Prepayments received from customers | | 703,104 | 379,602 |
| Trade payables | | 57,384 | 453 |
| Payables to group enterprises | | 7,832,392 | 4,915,503 |
| Other payables | | 46,239 | 10,400 |
| Current liabilities other than provisions | | 8,660,425 | 5,306,246 |
| Liabilities other than provisions | | 8,660,425 | 5,306,246 |
| Equity and liabilities | | 10,293,502 | 5,544,887 |
| Going concern | 1 | | |
| Employees | 7 | | |
| Contingent liabilities | 8 | | |
| Group relations | 9 | | |

Statement of changes in equity for 2022

| | Contributed capital DKK | Reserve for development expenditure DKK | Retained earnings DKK | Total DKK |
|---------------------------|-------------------------------|--|-----------------------------|----------------|
| Equity beginning of year | 40,000 | 2,847,635 | (2,878,425) | 9,210 |
| Transfer to reserves | 0 | 2,074,582 | (2,074,582) | 0 |
| Profit/loss for the year | 0 | 0 | 127,454 | 127,454 |
| Equity end of year | 40,000 | 4,922,217 | (4,825,553) | 136,664 |

Notes

1 Going concern

We note that the Company has current liabilities exceeding current assets. Management has decided to present the financial statements on a going concern basis. Any additional support to secure the operation and financing will be covered by the parent company.

2 Other financial income

| | 2022 | 2021 |
|------------------------|--------------|--------------|
| | DKK | DKK |
| Other financial income | 5,256 | 1,683 |
| | 5,256 | 1,683 |

3 Other financial expenses

| | 2022 | 2021 |
|---|----------------|---------------|
| | DKK | DKK |
| Financial expenses from group enterprises | 238,867 | 23,892 |
| Other interest expenses | 102 | 0 |
| Exchange rate adjustments | 264 | 1,354 |
| | 239,233 | 25,246 |

4 Tax on profit/loss for the year

| | 2022 | 2021 |
|--------------------------------------|----------------|-----------------|
| | DKK | DKK |
| Current tax | (1,113,953) | (223,768) |
| Change in deferred tax | 1,266,982 | 213,776 |
| Adjustment concerning previous years | 92,558 | (2,799) |
| | 245,587 | (12,791) |

The development in income tax is related to recognition of tax loss carry forward utilised within the Endeavour Invest ApS Group.

The change in deferred tax relates to temporary differences on intangible assets.

5 Intangible assets

| | Completed development projects DKK | Acquired intangible assets DKK | Goodwill DKK | Development projects in progress DKK |
|---|---|---|-----------------|---|
| Cost beginning of year | 2,113,846 | 894,642 | 0 | 1,679,376 |
| Additions | 738,285 | 1,820,938 | 600,000 | 2,170,192 |
| Cost end of year | 2,852,131 | 2,715,580 | 600,000 | 3,849,568 |
| Amortisation and impairment losses beginning of year | (102,933) | (97,008) | 0 | 0 |
| Amortisation for the year | (288,230) | (787,516) | (50,000) | 0 |
| Amortisation and impairment losses end of year | (391,163) | (884,524) | (50,000) | 0 |
| Carrying amount end of year | 2,460,968 | 1,831,056 | 550,000 | 3,849,568 |

6 Development projects

Development projects include add-on software applications. The development project essentially consists of costs in the form of salaries.

The carrying amount of completed and in progress development projects is DKK 6,310,540 at 31.12.2022 (compared to DKK 3,690,293 at 31.12.2021). The platforms are expected to increase the level of activity and profit for the company.

7 Employees

The Entity has no employees other than the Executive Management which is remunerated in Monjasa Holding A/S and RelateIT A/S.

8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Endeavour Invest ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest and dividend for the jointly taxed entities.

9 Group relations

Name and registered office of the parent company preparing consolidated financial statements for the smallest group:

Monjasa Holding A/S, Fredericia

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue

Revenue from the sale of licences is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on payables and transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation period used is 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc.

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights and acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-5 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to re-taxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.