

Front AI Danmark ApS

C/O Azets Insight A/S
Lyskær 3, C, st,
2730 Herlev

CVR No. 41929944

Annual Report

1 January 2023 - 31 December 2023

3. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 9 February 2024

Jari Juhani Annala
Chairman

Contents

Management's Statement	3
Company Information	4
Management's Review	5
Accounting Policies	6
Income Statement	8
Balance Sheet	9
Statement of changes in Equity	11
Notes	12

Management's Statement

Today, Management has considered and adopted the Annual Report of Front AI Danmark ApS for the financial year 1 January 2023 - 31 December 2023.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

In my opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Herlev, 9 February 2024

Executive Board

Jari Juhani Annala
CEO

Front AI Danmark ApS

Company details

Company	Front AI Danmark ApS C/O Azets Insight A/S Lyskær 3, C, st, 2730 Herlev
CVR No.	41929944
Date of formation	9 December 2020
Registered office	Herlev
Executive Board	Jari Juhani Annala, CEO

Management's Review

The Company's principal activities

The Company's principal activities consist in to provide AI conversational solutions (chatbot) to automate clients' customer service as well as other related business.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of DKK 2.624 and the Balance Sheet at 31 December 2023 a balance sheet total of DKK 96.494 and an equity of DKK 66.902.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The Annual Report of Front AI Danmark ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with options of reporting class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue and other external expenses.

Accounting Policies

Revenue

Revenue is recognised in the income statement if the service have been delivered and the risk has passed to the byer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and net of sales discounts.

Other external expenses

Other external costs include costs for sales, advertising, administration. etc.

Financial expenses

Financial expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial expenses include interest expenses and losses regarding accounts payable and transactions in foreign currencies.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Deposits

Deposits are measured at cost.

Other receivables

Other receivables are recognised at amortised cost.

Cash and cash equivalentents

Cash and cash equivalentents comprise cash at bank.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value. Other payables are measured at amortised cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Front AI Danmark ApS

Income Statement

	Note	2023 kr.	2022 kr.
Gross profit		4.597	21.310
Employee benefits expense	1	0	0
Profit from ordinary operating activities		4.597	21.310
Other finance income		65	0
Other finance expenses		-1.312	-537
Profit from ordinary activities before tax		3.350	20.773
Tax expense on ordinary activities	2	-726	-9.553
Profit		2.624	11.220
Proposed distribution of results			
Retained earnings		2.624	11.220
Distribution of profit		2.624	11.220

Front AI Danmark ApS

Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Assets			
Deposits, investments		5.000	5.000
Investments		5.000	5.000
Fixed assets		5.000	5.000
Short-term receivables from group enterprises		38.218	31.578
Other short-term receivables		10.613	5.297
Receivables		48.831	36.875
Cash and cash equivalents		42.663	41.875
Current assets		91.494	78.750
Assets		96.494	83.750

Front AI Danmark ApS

Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Liabilities and equity			
Contributed capital		40.000	40.000
Retained earnings		26.902	24.278
Equity		66.902	64.278
Trade payables		28.866	14.918
Tax payables		726	4.554
Short-term liabilities other than provisions		29.592	19.472
Liabilities other than provisions within the business		29.592	19.472
Liabilities and equity		96.494	83.750
Contingent liabilities	3		
Collaterals and assets pledges as security	4		
Related parties	5		

Front AI Danmark ApS

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	40.000	24.278	64.278
Profit (loss)	0	2.624	2.624
Equity 31 December 2023	40.000	26.902	66.902

The share capital has remained unchanged since the establishment.

Notes

	2023	2022
1. Employee benefits expense		
Average number of employees	<u>1</u>	<u>1</u>
2. Tax expense		
Current tax expense	726	4.554
Adjustments for current tax of prior period	<u>0</u>	<u>4.999</u>
	<u>726</u>	<u>9.553</u>

3. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

4. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

5. Related parties

The company is included in the consolidated financial statements with Front AI Oy.

Front AI Oy
Porkkalankatu 7A
00180 Helsinki
Finland