

Hyphen ApS

Sortedam Dossering 55
2100 København Ø

CVR No. 43118420

Annual report 2023

1 January 2023 - 31 December 2023

Adopted at the Annual General Meeting on 27
June 2024

Kasper Juul
Chairman

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Company details

Company

Hyphen ApS
Sortedam Dossering 55
2100 København Ø

CVR No.: 43118420

Executive board

Kasper Juul

Auditors

inforevision
statsautoriseret revisionsaktieselskab
Buddingevej 312
2860 Søborg
CVR No. 19263096

Michael Dam-Johansen, state authorised public accountant

Management's Review

Primary activities

The company's primary activities is development and sale of software and related consultancy work.

Development in activities and finances

The results of the company's activities in the financial year amounted to a profit/loss of DKK -988.194 against DKK -322.220 in last financial year. The equity at the balance sheet date amounted to DKK 7.560.418.

Statement by Management

The Executive Board have today considered and adopted the annual report for 1 January 2023 - 31 December 2023 for Hyphen ApS.

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 the company's financial position at 31 December 2023 and of the results of its operations for the financial year 1 January 2023 - 31 December 2023.

I believe that the Management's review contains a fair review of the affairs and conditions referred to therein.

I recommend that the annual report be adopted at the Annual General Meeting.

København Ø, 27 June 2024

Executive board

Kasper Juul
CEO

Independent auditor's report

To the shareholder's in Hyphen ApS

Opinion

We have audited the financial statements of Hyphen ApS for the financial year 1 January 2023 - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity 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 as at 31 December 2023 and of the results of the company's operations for the financial year 1 January 2023 - 31 December 2023 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 company in accordance with the International Ethics Standards Board of 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.

Emphasis of matter regarding the audit

With effect from the current financial year, the company has elected to be audited. We emphasize that the comparative figures in the financial statements are unaudited, as stated in the financial statements.

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 company'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 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. 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.

Independent auditor's report, continued

- 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 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 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.

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Søborg, 27 June 2024

inforevision
Statsautoriseret revisionsaktieselskab
CVR No. 19263096

Michael Dam-Johansen
State Authorised Public Accountant
mne36161

Accounting policies

Information on reporting class

The annual report has been prepared in accordance with Danish financial statement legislation as well as generally accepted accounting principles.

The annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing Reporting class B.

Some provisions from reporting class C has been adopted.

The accounting policies have not been changed from last year.

Generally regarding recognition and measurement

The financial statements have been prepared based on historical cost.

The income is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 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 out of the company, and the value of the liability can be measured reliably.

Assets and liabilities are initially 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 maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

The functional currency is Danish Kroner. All other currencies are considered foreign currencies.

Foreign currency translation

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

Accounting policies, continued

Income statement

The income statement has been classified by nature.

Gross profit

Gross profit/loss includes "Own work capitalised" and "External expenses".

Own work capitalised

Own work capitalised comprises work performed in the financial year on own assets which is capitalised as intangible. The basis of measurement is cost and comprise other external expenses as well as staff costs.

External expenses

External expenses comprises Selling costs, Cost of premises and Administrative expenses.

Staff costs

Staff costs include wages and salaries including holiday pay and pensions and other social security costs etc. to the company's employees.

Financial income

Financial income is recognised with amounts concerning the financial year. Financial income comprise interest, realised and unrealised exchange gains.

Financial expenses

Financial expenses is recognised with amounts concerning the the financial year. Financial expenses comprise interest, realised and unrealised exchange losses.

Tax on profit or loss for the year

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and non-deductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes due to adjustments of tax rates is recognised in the income statement.

Tax on profit or loss for the year is recognised in the income statement by the portion attributable to the profit or loss for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

Accounting policies, continued

Balance sheet

The balance sheet has been presented in account form.

Assets

Intangible assets

Intangible assets are measured at cost less accumulate amortisation.

Cost comprises the acquisition price as well as costs directly related to the acquisition until the time when the asset is ready to be put into operation. For own-developed development projects, indirect production costs are also included. Indirect production costs include indirectly attributable materials and staff costs as well as maintenance of and depreciation of property, plant and equipment used in the development process.

Development projects in progress are transferred to completed development projects when the asset is ready to be put into operation.

Development projects in progress are not amortised.

As the intangible assets are not being traded in an active and effective market, no residual values after end of use are included when determining the amortisation period.

Profit/loss on sale has been included in the income statement under other operating income and other operating expenses.

The carrying amounts of intangible assets are reviewed annually for indication of impairment for losses, apart from what is expressed by usual amortisation. If this applies, impairment for loss is made of each asset or group of assets, respectively, to lower recoverable amount. As recoverable amount, the higher of expected net selling price and net present value is applied. The net present value is calculated as the present value of the expected cash flows from the use of the asset or the group of assets.

Impairment for loss for the year is recognised in the income statement as amortisation, depreciation and impairment for loss of property, plant and equipment and intangible assets.

Other receivables classified as fixed assets

Deposits recognised as fixed assets are measured at amortised cost, which usually corresponds to nominal amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Prepayments

Prepayments comprise costs incurred relating to subsequent financial years.

Accounting policies, continued

Equity and liabilities

Equity

Increases of the the share capital is recognised directly into equity less related transaction cost.

Reserve for development expenditure comprise capitalised development expenses from 1 January 2016. The reserve cannot be used for dividends or for elimination of negative retained earnings. The reserve is reduced or dissolved due to amortisation or divestment by transferring the amount from the reserve to retained earnings.

Deferred tax and corporation tax

Deferred tax is measured using the balance sheet liability method. Provision has been made for deferred tax by 22% on all temporary differences between carrying amount and tax-based value of assets and liabilities. Deferred tax is also measures with respect of the planned use of the asset and the settlement of the liability.

The tax value of the tax losses to be carried forward are included in the calculation of deferred taxes if it is probable that the losses can be used. Deferred tax assets are measured at net realisable value.

Deferred tax assets which are not expected utilised within a few years have been disclosed in notes under contingent assets.

Corporation tax relating to the the financial year which has not been settled at the balance sheet date is classified as corporation tax in receivables or liabilities other than provisions.

Deferred income

Deferred income consists of government grants received in connection with development projects. Grants are depreciated over the same period as development costs

Financial debts

Financial debts are recognised initially at the proceeds received net of transaction expenses incurred, which are directly related with the loan. In subsequent years, financial debts are measured at amortised cost equal to the capitalised value using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement over the loan period.

Short-term debts are measured at amortised cost, substantially corresponding to nominal value.

Income statement

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross loss		-46,248	242,275
Staff costs	1	-1,269,470	-741,308
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		-1,315,718	-499,033
Finance income		8,161	0
Finance expenses		-27,508	-1,068
Profit/loss before tax		-1,335,065	-500,101
Tax on profit/loss for the year	2	346,871	177,881
Profit/loss for the year		-988,194	-322,220

Proposed distribution of profit and loss

	<u>2023</u> DKK	<u>2022</u> DKK
Proposed distribution of profit and loss for the year :		
Transferred to retained earnings	-988,194	-322,220
Profit/loss for the year	-988,194	-322,220

Assets

	Note	31/12-2023	31/12-2022
		DKK	DKK
Development projects in progress		4,420,963	1,075,293
Intangible assets	3, 6	4,420,963	1,075,293
Deposits		67,024	55,134
Investments	4	67,024	55,134
Fixed assets		4,487,987	1,130,427
Other receivables		152,892	225,389
Corporation tax receivables	2	736,047	236,564
Prepayments		41,386	0
Receivables		930,325	461,953
Cash at bank and in hand		4,561,210	420,040
Current assets		5,491,535	881,993
Total assets		9,979,522	2,012,420

Equity and liabilities

	<u>Note</u>	<u>31/12-2023</u>	<u>31/12-2022</u>
		DKK	DKK
Contributed capital		100,087	50,000
Reserve for development expenditure		3,448,351	838,729
Retained earnings		4,011,980	-1,160,949
Equity		<u>7,560,418</u>	<u>-272,220</u>
Deferred tax, liabilities	2	447,859	58,683
Other provisions, liabilities		685,000	0
Provisions		<u>1,132,859</u>	<u>58,683</u>
Debt to other credit institutions		1,002,076	0
Other payables		0	1,763,151
Long-term liabilities other than provisions	5	<u>1,002,076</u>	<u>1,763,151</u>
Debt to other credit institutions		3,068	0
Trade payables		144,903	270,143
Other payables		136,198	192,663
Short-term liabilities other than provisions		<u>284,169</u>	<u>462,806</u>
Liabilities other than provisions		<u>1,286,245</u>	<u>2,225,957</u>
Total equity and liabilities		<u>9,979,522</u>	<u>2,012,420</u>
Assets charged and collateral	6		
Unrecognised contractual commitments	7		

Statement of changes in equity

	Contributed capital	Reserve for develop- ment expenditure	Retained earnings	Total
	DKK	DKK	DKK	DKK
Contribution at subscription	40,000		0	40,000
Capital increase	10,000		0	10,000
Distributed profit/loss for the year			-322,220	-322,220
Transferred to reserve for development expenditure for the year		838,729	-838,729	0
Equity at 1 January 2023	50,000	838,729	-1,160,949	-272,220
Capital increase	50,087		8,770,745	8,820,832
Distributed profit/loss for the year			-988,194	-988,194
Transferred to reserve for development expenditure for the year		2,609,622	-2,609,622	0
Equity at 31 December 2023	100,087	3,448,351	4,011,980	7,560,418

Notes

1. Staff costs

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Wages and salaries	1,128,143	686,096
Other social security costs	16,965	5,112
Other staff cost	124,362	50,100
Total	<u>1,269,470</u>	<u>741,308</u>
Average number of full-time employees	<u>2</u>	<u>2</u>

2. Tax expense

	<u>Corpora- tion tax</u>	<u>Deferred tax</u>	<u>Tax on profit/loss for the year</u>	<u>2022</u>
	DKK	DKK	DKK	DKK
Payables at 1 January 2023	-236,564	58,683		
Paid in respect of previous years	236,564			
Tax on profit/loss for the year	-736,047	389,176	-346,871	-177,881
Payables at 31 December 2023	<u>-736,047</u>	<u>447,859</u>		
Tax on profit/loss for the year recognised in the income statement			<u>-346,871</u>	<u>-177,881</u>
Recognition in balance sheet:				
Short-term receivables (current asset)	-736,047	0		
Provisions		447,859		
Total	<u>-736,047</u>	<u>447,859</u>		

Notes, continued

3. Intangible assets

	<i>Development projects in progress</i>		
	DKK	Total DKK	2022 DKK
Cost at 1 January 2023	1,075,293	1,075,293	0
Additions for the year	3,345,670	3,345,670	1,075,293
Cost at 31 December 2023	4,420,963	4,420,963	1,075,293
Carrying amount at 31 December 2023	4,420,963	4,420,963	1,075,293

During the current year, the company has continued to develop software projects. These projects are designed to support the company's long-term strategy and are expected to contribute positively to both cash flow and revenue in the coming years. The projects include the development of advanced systems for personalized AI assistant. Total development costs for the year amount to DKK 3,345,670, with total capitalization DKK 4,420,963. The projects have been assessed for their technical feasibility and their ability to generate economic returns before capitalization, in accordance with IAS 38 (Intangible assets). The company expects these investments to result in significant improvements in operational efficiency and customer satisfaction.

4. Investments

	Deposits	Total	2022
	DKK	DKK	DKK
Cost at 1 January 2023	55,134	55,134	0
Additions for the year	11,890	11,890	55,134
Cost at 31 December 2023	67,024	67,024	55,134
Carrying amount at 31 December 2023	67,024	67,024	55,134

Notes, continued

5. Long-term liabilities

	<u>31/12-2023</u>	<u>31/12-2022</u>
	DKK	DKK
Liabilities in total:		
Debt to credit institutions	1,002,076	0
Other payables	0	1,763,151
Total	<u>1,002,076</u>	<u>1,763,151</u>
Current portion of non-current liabilities:		
Other payables	0	0
Total	<u>0</u>	<u>0</u>
Due beyond 5 years after the balance sheet date:		
Other payables	0	0
Total	<u>0</u>	<u>0</u>

6. Assets charged and collateral

	<u>2023</u>	
	<u>Nominal value of the col- lateral/debt</u>	<u>Booked value of assets deposited as security</u>
	DKK	DKK
Company pledges on simple receivables arising from the sale of goods and services. Operating inventory and equipment. Inventory of raw materials, semi-finished and finished goods. Goodwill, domain names, and rights under patent law, trademark law, design law, utility model law, pattern law, copyright law, and the law on the protection of the configuration of semiconductor products. Fuels and other auxiliary substances. Motor vehicles that are not or have not previously been registered. These are deposited as security for engagement with the Danish Export Credit Agency.	1,000,000	4,420,963

7. Unrecognised contractual commitments

	<u>2023</u>
	DKK
The company has entered rental of premises. The rental agreement can be terminated with 3 months notice. The remaining rental obligation is	60,818
Total rental and lease obligations	<u>60,818</u>

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Kasper Juul

Adm. direktør

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Michael Dam-Johansen

inforevision statsautoriseret revisionsaktieselskab CVR: 19263096

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Kasper Juul

Dirigent

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