

Scaleup Finance Denmark ApS

Nyropsgade 41
1602 København V

CVR No. 43196308

Annual report 2022

12 April 2022 - 31 December 2022

Adopted at the Annual General Meeting on 30
June 2023

Niels-Peter Kjølbye
Chairman

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Company details

Company

Scaleup Finance Denmark ApS
Nyropsgade 41
1602 København V

CVR No.: 43196308

Executive board

Alexander Sonne Wulff

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 focus is to provide CFO-as-a-service to start-ups and the SME sector.

Development in activities and finances

The results of the company's activities in the financial year amounted to a profit/loss of DKK -7.890.944. The equity at the balance sheet date amounted to DKK 1.066.115.

Outlook

The company has received commitments for liquidity support from the parent company until 31 December 2023

In order to strengthen the company's capital and ensure necessary liquidity for continued operations, the parent company has begun negotiations with current and new investors regarding a capital increase in late 2023. The management expects the equity to remain positive at the end of 2023.

The company's sales activities have developed positively in 2023 with several new customers added to the customer base. In addition, the company has a strong pipeline for continued revenue growth.

The company's budget for the coming financial year shows a continued negative result as a result of the group's development and sales activities. With the expected budget and expected capital increase, it is the management's expectation that the company will be able to service its current obligations as they fall due.

Based on these expectations, the Company will have sufficient funds to meet its payment obligations as they fall due.

Based on the above, the annual accounts have been prepared under the assumption of the company's continued operation.

Statement by Management

The Executive Board have today considered and adopted the annual report for 12 April 2022 - 31 December 2022 for Scaleup Finance Denmark 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 2022 and of the results of its operations for the financial year 12 April 2022 - 31 December 2022.

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

I still consider that the conditions to refrain audit are fulfilled.

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

København V, 29 June 2023

Executive board

Alexander Sonne Wulff
Executive director

Independent auditor's report

To the shareholder in Scaleup Finance Denmark ApS

Opinion

We have audited the financial statements of Scaleup Finance Denmark ApS for the financial year 12 April 2022 - 31 December 2022, 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 2022 and of the results of the company's operations for the financial year 12 April 2022 - 31 December 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 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.

Material uncertainties regarding going concern

We draw attention to Note 1 in the financial statements, which indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. As stated in note 1, the group have not final and signed commitments from investors ensuring a sufficient cash reserve for the business plan and budget in the coming year. Our opinion is not modified in respect of this matter..

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.

Independent auditor's report, continued

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 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.

Independent auditor's report, continued

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, 29 June 2023

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.

It is the company's first financial year. The financial year consist of 9 month. The accounting policies applied are described as follows.

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 "Revenue", "Cost of sales", "Other operating income" and "External expenses".

Revenue

As income recognition criterion, the production criterion is applied so that revenue comprises the invoiced revenue for the year reduced by prepayments and with addition for work in progress measured at market value. Revenue is measured at fair value excl. VAT and less granted discounts.

Cost of sales

Cost of sales comprise expenses incurred to earn revenue for the year.

Other operating income comprises income of a secondary nature as viewed in relation to the company's primary activities, including payments received from public authorities as well as profit on sale of fixed assets.

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 and interest reimbursements under the Danish Tax Prepayment Scheme.

Financial expenses

Financial expenses is recognised with amounts concerning the the financial year. Financial expenses comprise interest, realised and unrealised exchange losses as well as interest surcharge under the Danish Tax Prepayment Scheme.

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.

Assets are amortised on a straight-line basis over their estimated useful lives:

Category	Period
Goodwill	7 years

Determine the amortisation period for goodwill is based on an assessment of the acquired enterprises' or business' market position, earnings as well as expected customer loyalty, which to the highest possible extent is based on historical recorded data.

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.

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

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 measured 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.

Financial debts

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

Prepayments received from customers

Received prepayments from customers comprises prepayments according to an agreement whereas the company has an obligation to deliver services in the subsequent years.

Income statement

	<u>Note</u>	<u>2022</u> DKK
Gross profit		4,142,708
Staff costs	2	-11,856,880
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		-7,714,172
Depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets	3	-95,238
Earnings before interest and taxes (EBIT)		-7,809,410
Finance income	4	1,557
Finance expenses	5	-83,091
Profit/loss before tax		-7,890,944
Tax on profit/loss for the year	6	0
Profit/loss for the year		<u>-7,890,944</u>

Proposed distribution of profit and loss

	<u>2022</u> DKK
Proposed distribution of profit and loss for the year :	
Transferred to retained earnings	-7,890,944
Profit/loss for the year	<u>-7,890,944</u>

Assets

	<u>Note</u>	<u>31/12-2022</u>
		DKK
Goodwill		904,762
Intangible assets	7	<u>904,762</u>
Fixed assets		<u>904,762</u>
Trade receivables		708,147
Prepayments		5,210
Receivables		<u>713,357</u>
Cash at bank and in hand		<u>1,501,914</u>
Current assets		<u>2,215,271</u>
Total assets		<u><u>3,120,033</u></u>

Equity and liabilities

	<u>Note</u>	<u>31/12-2022</u>
		DKK
Contributed capital		100,000
Retained earnings		966,115
Equity		<u>1,066,115</u>
Prepayments received from customers		2,708
Trade payables		217,835
Other payables		1,833,375
Short-term liabilities other than provisions		<u>2,053,918</u>
Liabilities other than provisions		<u>2,053,918</u>
Total equity and liabilities		<u>3,120,033</u>
Going concern	1	
Contingent assets	8	
Contingent liabilities	9	

Statement of changes in equity

	Contributed capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 12 April 2022	100,000	0	100,000
Group contribution		8,857,059	8,857,059
Distributed profit/loss for the year		-7,890,944	-7,890,944
Equity at 31 December 2022	100,000	966,115	1,066,115

Notes

1. Going concern

The company's equity is positive as at 31 December 2022. However, the company expects continued strong growth in revenue in 2023 due to continued huge investment in the sales activities. Consequently, the budget 2023 shows negative cash flows from the company's operations.

In order to strengthen the company's capital and to ensure a sufficient cash reserve to continue the operations in accordance the business plan and budget 2023, the Management of the parent company has initiated negotiations with current and new investors regarding a new round of cash capital contribution in late 2023. In this connection, the parent company has pledged a letter of support to the company until 31 December 2023. At the time of preparing the financial statements no final and signed commitment from investors exist.

The cash capital contribution is necessary for the company to continue it's operations in accordance with the business plan and to meet it's obligations as they fall due. Management expects, that the cash capital contribution will take place and on this basis, Management has prepared the financial statements under the going concern assumption.

Reference is also made to the Management report's section "The expected development".

2. Staff costs

	<u>2022</u>
	DKK
Wages and salaries	11,154,770
Pensions	328,381
Other social security costs	55,424
Other staff cost	318,305
Total	<u>11,856,880</u>
Average number of full-time employees	<u>19</u>

3. Depreciation, amortisation and impairment losses of property, plant and equipment and intangible assets

	<u>2022</u>
	DKK
Amortisation of intangible assets	95,238
Total	<u>95,238</u>

Notes, continued

4. Finance income

	<u>2022</u>
	DKK
Other financial income	1,557
Total	<u>1,557</u>

5. Finance expenses

	<u>2022</u>
	DKK
Financial expenses to group enterprises	78,756
Other financial expenses	4,335
Total	<u>83,091</u>

6. Tax expense

	<u>Deferred tax</u>	<u>Tax on profit/loss for the year</u>
	DKK	DKK
Payables at 12 April 2022	0	
Tax on profit/loss for the year	0	0
Payables at 31 December 2022	<u>0</u>	
Tax on profit/loss for the year recognised in the income statement		<u>0</u>

Notes, continued

7. Intangible assets

	Goodwill	Total
	DKK	DKK
Additions for the year	1,000,000	1,000,000
Cost at 31 December 2022	1,000,000	1,000,000
Amortisation for the year	-95,238	-95,238
Amortisation and impairment losses at 31 December 2022	-95,238	-95,238
Carrying amount at 31 December 2022	904,762	904,762

8. Contingent assets

	2022
	DKK
Unrecognised deferred tax assets due to tax losses carried forward and tax depreciation below accounting depreciation on fixtures, fittings, tools and equipment	<u>1,733,104</u>

9. Contingent liabilities

Scaleup Finance Denmark ApS are jointly tax with other group companies and are severally liable for tax on the jointly taxed incomes etc. of the group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of tax on interest, dividend tax and tax on royalty payments. Any subsequent adjustments of corporation taxes and withholding taxes may increase the the company's liability.

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Alexander Sonne Wulff

Direktør

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