

Awdio ApS

Esromgade 15, 1.1110.
2200 København N

CVR No. 43222104

Annual report 2023

1 January 2023 - 31 December 2023

Adopted at the Annual General Meeting on 3
July 2024

Matthias Flügge Ørum-Hansen
Chairman

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Company details

Company

Awdio ApS
Esromgade 15, 1.1110.
2200 København N

CVR No.: 43222104

Executive board

Jonas Valter Karlsson
Matthias Flügge Ørum-Hansen
Peter Otto Kuhberg

Board of Directors

Matthias Flügge Ørum-Hansen
Jonas Valter Karlsson
Peter Otto Kuhberg

Auditors

inforevision
statsautoriseret revisionsaktieselskab
Buddingevej 312
2860 Søborg
CVR No. 19263096

Simon Morthorst, state authorised public accountant

Management's Review

Primary activities

The company's primary activity is to develop and operate a platform with interactive sound for children and related business at the management's discretion.

Development in activities and finances

The results of the company's activities in the financial year amounted to a profit/loss of DKK -4.224.725 against DKK -1.717.408 in last financial year. The equity at the balance sheet date amounted to DKK 1.443.644.

Management consider the results as not satisfactory.

Uncertainty about Going Concern

It is expected for the coming financial year that the company will continue its development of a platform with interactive audio for children. However, it is a significant prerequisite for the company's continued operation that financing is obtained to cover this liquidity need. The company's management is working on securing this financing through new investors. At the time of the financial statement, no commitments have yet been obtained, but various stakeholders are being engaged, and it is the management's expectation that the company will be able to secure the necessary liquidity to finance the company's activities during the autumn. If this is not successful, the company's management will work towards a solvent liquidation of the company. The annual financial statements are thus prepared based on the assumption of the company's continued operation.

Statement by Management

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

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

In our 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.

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

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

København N, 3 July 2024

Executive board

Jonas Valter Karlsson
Executive director

Matthias Flügge Ørum-Hansen
Executive director

Peter Otto Kuhberg
Executive director

Board of Directors

Matthias Flügge Ørum-Hansen
Chairman

Jonas Valter Karlsson
Board member

Peter Otto Kuhberg
Board member

The Independent Auditor's Extended Review on the Financial Statements

To the shareholder's of Awdio ApS

Conclusion

We have performed an extended review of the financial statements of Awdio 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.

Based on our work performed, 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 conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review of the financial statements" section of our report. We are independent of the company 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Material Uncertainty Related to Going Concern

There is significant uncertainty that may cast substantial doubt on the company's ability to continue as a going concern. We draw attention to note 1 in the financial statements, which indicates that, at the time of the financial statements, no commitments have yet been obtained for the provision of liquidity to cover the expected liquidity shortfall for 2024. The company's management expects that the necessary liquidity will be provided by investors and, based on this, prepares the annual financial statements under the assumption of the company's continued operation. Our conclusion 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, disclosing, as applicable, matters related to going concern and 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.

Practitioner's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The Independent Auditor's Extended Review on the Financial Statements, continued

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Søborg, 3 July 2024

inforevision

Statsautoriseret revisionsaktieselskab

CVR No. 19263096

Simon Morthorst

State Authorised Public Accountant

mne29383

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 "Other operating income" and "External expenses".

Other operating income

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 as well as interest reimbursements under the Danish Tax Prepayment Scheme.

Financial expenses

Financial costs are recognized in the income statement with the amounts relating to the financial year. Other financial costs include interest, realized and unrealized exchange rate losses and interest surcharges under the advance tax scheme.

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

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.

Equity and liabilities

Equity

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

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.

Financial debts

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		-2,120,760	-706,791
Staff costs	2	-2,103,151	-1,391,049
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		-4,223,911	-2,097,840
Finance income		78	0
Finance expenses		-892	-13,976
Loss before tax		-4,224,725	-2,111,816
Tax on profit/loss for the year	3	0	394,408
Loss for the year		-4,224,725	-1,717,408

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	-4,224,725	-1,717,408
Loss for the year	-4,224,725	-1,717,408

Assets

	<u>Note</u>	<u>31/12-2023</u>	<u>31/12-2022</u>
		DKK	DKK
Other receivables		99,709	105,936
Corporation tax receivables	3	0	394,408
Prepayments		2,582	9,471
Receivables		<u>102,291</u>	<u>509,815</u>
Cash at bank and in hand		<u>1,598,971</u>	<u>5,390,002</u>
Current assets		<u>1,701,262</u>	<u>5,899,817</u>
Total assets		<u><u>1,701,262</u></u>	<u><u>5,899,817</u></u>

Equity and liabilities

	<u>Note</u>	<u>31/12-2023</u>	<u>31/12-2022</u>
		DKK	DKK
Contributed capital		50,104	50,104
Share premium		0	7,335,673
Retained earnings		1,393,540	-1,717,408
Equity		<u>1,443,644</u>	<u>5,668,369</u>
Trade payables		167,917	188,003
Other payables		89,701	43,445
Short-term liabilities other than provisions		<u>257,618</u>	<u>231,448</u>
Liabilities other than provisions		<u>257,618</u>	<u>231,448</u>
Total equity and liabilities		<u>1,701,262</u>	<u>5,899,817</u>
Going concern	1		
Contingent assets	4		
Unrecognised contractual commitments	5		

Statement of changes in equity

	Contributed capital	Share premium	Retained earnings	Total
	DKK	DKK	DKK	DKK
Contribution at subscription	40,000	0	0	40,000
Capital increase	10,104	7,742,155	0	7,752,259
Expenses due to capital increase or decrease		-406,482	0	-406,482
Distributed profit/loss for the year			-1,717,408	-1,717,408
Equity at 1 January 2023	50,104	7,335,673	-1,717,408	5,668,369
Transferred share premium		-7,335,673	7,335,673	0
Distributed profit/loss for the year			-4,224,725	-4,224,725
Equity at 31 December 2023	50,104	0	1,393,540	1,443,644

Notes

1. Going concern

It is expected for the coming financial year that the company will continue its development of a platform with interactive audio for children. However, it is a significant prerequisite for the company's continued operation that financing is obtained to cover this liquidity need. The company's management is working on securing this financing through new investors. At the time of the financial statements, no commitments have yet been obtained, but various stakeholders are being engaged, and it is the management's expectation that the company will be able to secure the necessary liquidity to finance the company's activities during the autumn. If this is not successful, the company's management will work towards a solvent liquidation of the company. The annual financial statements are thus prepared based on the assumption of the company's continued operation.

2. Staff costs

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Wages and salaries	2,022,537	1,364,838
Pensions	20,000	0
Other social security costs	14,973	3,408
Other staff cost	45,641	22,803
Total	<u>2,103,151</u>	<u>1,391,049</u>
Average number of full-time employees	<u>2</u>	<u>1</u>

3. Tax expense

	<u>Corpora-</u>	<u>Deferred</u>	<u>Tax on</u>	<u>2022</u>
	DKK	DKK	profit/loss	DKK
			for the year	
			DKK	
Payables at 1 January 2023	-394,408	0		
Paid in respect of previous years	394,408			
Tax on profit/loss for the year	<u>0</u>	<u>0</u>	0	-394,408
Payables at 31 December 2023	<u>0</u>	<u>0</u>		
Tax on profit/loss for the year recognised in the income statement			<u>0</u>	<u>-394,408</u>

Notes, continued

4. Contingent assets

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Unrecognised deferred tax assets due to tax losses carried forward and tax depreciation below accounting depreciation on fixtures, fittings, tools and equipment	<u>262,693</u>	<u>188,338</u>

5. Unrecognised contractual commitments

	<u>2023</u>
	DKK
The company has entered into rental commitment regarding rent of premises. There is two months' notice from the tenant. The total commitment represents	<u>14,000</u>
Total rental and lease obligations	<u><u>14,000</u></u>

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Peter Otto Kuhberg

Executive director

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Peter Otto Kuhberg

Board member

Serienummer: 807fdb0f-8d59-491a-af32-8ac3865981c3

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Jonas Valter Karlsson

Executive director

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Jonas Valter Karlsson

Board member

Serienummer: 17d5ca011716b3[...]8ea30b4cecadd

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2024-07-03 12:57:38 UTC



Matthias Flügge Ørum-Hansen

Executive director

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Matthias Flügge Ørum-Hansen

Chairman

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Simon Morthorst

State Authorised Public Accountant

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Matthias Flügge Ørum-Hansen

Chairman

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