

The Seed IVS

Porcelænshaven 26 2
2000 Frederiksberg

Annual report
1 January 2020 - 31 December 2020

**The annual report has been presented and
approved on the company's general meeting the**

19/07/2021

**Lizette Taguchi
Chairman of general meeting**

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Reporting company The Seed IVS
Porcelænshaven 26 2
2000 Frederiksberg

CVR-nr: 38443925
Reporting period: 01/01/2020 - 31/12/2020

Statement by Management

The Board of Executives have today discussed and approved the annual report of The Seed DK IVS for the financial year 1 January – 31 December 2020.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Ledelsen anser betingelserne for at udelade revision for opfyldt.

Frederiksberg C, the 19/07/2021

Management

Guled Mohamed Waise

Lizette Michiko Taguchi

Management's Review

Principal activities

The Company's purpose is to design and develop software to improve employment and education outcomes. The Company owns 100% of the shares in The Seed DK IVS, which is intended to serve as a sales company for software owned by the Company.

Development in activities and financial position

The Company's income statement for 2020 shows a loss of DKK -5.134 as against DKK -22585 in 2019. Management finds the result of the year satisfying, since the product is still in the development phase.

Equity in the Company's balance sheet at 31 December 2020 stood at DKK -97.559 as against DKK -92.425 at 31 December 2019. It is management's expectation that there will be a positive development in equity from operations going forward.

Events after the balance sheet date

No events have occurred since the end of the financial year that could have significantly affected the Company's financial position. Management has made plans to convert The Seed IVS to an ApS before 15 October 2021.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B.

Change in accounting policies

The Company has changed its accounting policies regarding intangible assets in order to provide a more true and fair view of the Company's activities, results and financial position. Due to recent progress in establishing partnerships for iterative testing and completion of the development of the Company's software product, the Company is now in a position where it expects that future economic benefits will derive from the software currently under development. Hence we assert that the company's expenditures on product development falls under the category of development projects in progress.

Previously, this development project in progress was held out of the balance. With the change in accounting practices, expenditures on development projects in progress are now included as an intangible asset. The change in accounting policies was made with retroactive effect from the beginning of product development in 2017, and the comparison figures for 2019 are adjusted accordingly.

The change has improved the result for previous years as shown below:

Effect on (DKK):	2020	2019	2018	2017
Profit/loss	0	22796	33384	43925
Total assets	0	29225	42799	56314
Equity	0	22796	33384	43925

The comparative figures have been restated to reflect the changed accounting policies

Relevant accounting policies:

Income statement

- **Tax expense** comprises current corporation tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance

- Assets

- **Development projects in progress:** development projects comprise external costs and staff costs directly and indirectly attributable to development activities.
- Kapitalandele i tilknyttede virksomheder: **Investments in group enterprises** is measured at cost.

- Equity and liabilities

- **Reserve for development expenditures** comprises capitalised development costs minus the deferred tax value of development projects in progress. The reserve cannot be used for dividends, distribution or to cover losses.
- **Provisions for deferred tax** are calculated as the tax value of development projects in progress at the current tax rate of 22%.

Income statement 1 Jan 2020 - 31 Dec 2020

	Disclosure	2020	2019
		kr.	kr.
Revenue			0
Gross profit (loss)		800	
Employee expense		0	-7
Other operating expenses		-3,988	-15,561
Profit (loss) from ordinary operating activities		-3,188	-15,568
Other finance expenses		-628	-588
Profit (loss) from ordinary activities before tax		-3,816	-16,156
Tax expense		-1,318	-6,429
Profit (loss)		-5,134	-22,585
Proposed distribution of results			
Transferred to reserve for development expenditure		4,675	22,796
Retained earnings		-9,809	-45,381
Proposed distribution of profit (loss)		-5,134	-22,585

Balance sheet 31 December 2020

Assets

	Disclosure	2020 kr.	2019 kr.
Development projects in progress		134,331	128,338
Intangible assets		134,331	128,338
Investments in group enterprises		1	1
Investments	1	1	1
Total non-current assets		134,332	128,339
Cash and cash equivalents		7,397	10,113
Current assets		7,397	10,113
TOTAL ASSETS		141,729	138,452

Balance sheet 31 December 2020

Liabilities and equity

	Disclosure	2020	2019
		kr.	kr.
Contributed capital		2	2
Reserve for development expenditure		104,780	100,105
Retained earnings		-202,341	-192,532
Total equity		-97,559	-92,425
Provisions for deferred tax		29,551	28,233
Provisions, gross		29,551	28,233
Other payables, including tax payables, liabilities other than provisions	2	209,737	202,644
Short-term liabilities other than provisions, gross		209,737	202,644
Liabilities other than provisions, gross		209,737	202,644
LIABILITIES AND EQUITY, GROSS		141,729	138,452

Disclosures

1. Investments

Investments in group enterprises include:

Name, legal form and homeplace	Ownership	Equity	Profit (loss)
The Seed DK IVS, Frederiksberg	100%	1kr	0kr

The Seed IVS is the mother company of The Seed DK IVS. The group has chosen not to prepare consolidated financial statements since the group satisfies the definition of a smaller group. This choice is of no material importance, since there was no activity in The Seed DK IVS in 2020.

2. Other payables, including tax payables, liabilities other than provisions

Momskonto: -2021kr.

Gæld til direktør Lizette Taguchi: 211758kr.

Anden gæld i alt: 209737kr

3. Information on average number of employees

Average number of employees	2020
	0