



Netop Business Solutions A/S

Bregnerødvej 127
3460 Birkerød
CVR No. 20077948

Annual report 2023

The Annual General Meeting adopted the annual report on 22.07.2024

Joseph Nivaro
Chairman of the General Meeting

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Entity details

Entity

Netop Business Solutions A/S

Bregnerødvej 127

3460 Birkerød

Business Registration No.: 20077948

Registered office: Rudersdal

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Julian Charles Lucas Bennet

Tobias Hartmann

Paul Aaron Kagan

Executive Board

Tobias Hartmann

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Netop Business Solutions A/S for the financial year 01.01.2023 - 31.12.2023.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

ØIstykke, 22.07.2024

Executive Board

Tobias Hartmann

Board of Directors

Julian Charles Lucas Bennet

Tobias Hartmann

Paul Aaron Kagan

Independent auditor's report

To the shareholders of Netop Business Solutions A/S

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Netop Business Solutions A/S for the financial year 01.01.2023 - 31.12.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 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 Entity 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Entity'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 Entity 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.
- 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 Entity'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 Entity'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 Entity 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Report on other legal and regulatory requirements and other reporting responsibilities

Violation of VAT legislation

In violation of the VAT Act, VAT reports and settlements for the period 1 January to 31 December 2023 have not been made on time to the Danish tax authorities, as a result of which the management may be held liable.

Copenhagen, 22.07.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Henrik Wolff Mikkelsen

State Authorised Public Accountant

Identification No (MNE) mne33747

Management commentary

Primary activities

The Company's main activity is to develop and sell IT-software.

Development in activities and finances

The income statement of the company for 2023 shows a loss of DKK 7.438 thousand, and at 31 December 2023 the balance sheet of the company shows equity of DKK 60.903 thousand

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		3,488,061	26,970,538
Staff costs	1	(2,826,397)	(443,015)
Depreciation, amortisation and impairment losses		(8,149,801)	(7,159,641)
Operating profit/loss		(7,488,137)	19,367,882
Other financial income		225,726	458,996
Other financial expenses		(175,094)	(813,381)
Profit/loss for the year		(7,437,505)	19,013,497
Proposed distribution of profit and loss			
Retained earnings		(7,437,505)	19,013,497
Proposed distribution of profit and loss		(7,437,505)	19,013,497

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Completed development projects	3	6,291,948	11,534,046
Acquired intangible assets		0	0
Intangible assets	2	6,291,948	11,534,046
Other fixtures and fittings, tools and equipment		0	0
Property, plant and equipment	4	0	0
Investments in group enterprises		13,471,033	13,471,033
Deposits		1,287,930	895,169
Financial assets	5	14,758,963	14,366,202
Fixed assets		21,050,911	25,900,248
Trade receivables		1,979,138	2,947,431
Receivables from group enterprises		62,982,020	56,691,371
Other receivables		58,947	14,212
Prepayments		1,074,617	759,785
Receivables		66,094,722	60,412,799
Cash		332,465	2,165,478
Current assets		66,427,187	62,578,277
Assets		87,478,098	88,478,525

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		700,000	700,000
Reserve for development expenditure		4,907,720	8,996,557
Retained earnings		55,294,809	58,643,477
Equity		60,902,529	68,340,034
Other payables		347,305	347,305
Non-current liabilities other than provisions	6	347,305	347,305
Trade payables		1,473,873	1,324,320
Payables to group enterprises		20,996,964	12,072,842
Other payables		196,729	283,973
Deferred income		3,560,698	6,110,051
Current liabilities other than provisions		26,228,264	19,791,186
Liabilities other than provisions		26,575,569	20,138,491
Equity and liabilities		87,478,098	88,478,525
Contingent liabilities	7		
Assets charged and collateral	8		

Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	700,000	8,996,557	58,643,477	68,340,034
Transfer to reserves	0	(4,088,837)	4,088,837	0
Profit/loss for the year	0	0	(7,437,505)	(7,437,505)
Equity end of year	700,000	4,907,720	55,294,809	60,902,529

Notes

1 Staff costs

	2023	2022
	DKK	DKK
Wages and salaries	2,783,967	319,647
Pension costs	44,475	101,635
Other social security costs	(2,045)	21,148
Other staff costs	0	585
	2,826,397	443,015
Average number of full-time employees	2	2

2 Intangible assets

	Completed development projects	Acquired intangible assets
	DKK	DKK
Cost beginning of year	69,399,778	5,042,636
Additions	2,907,703	0
Cost end of year	72,307,481	5,042,636
Amortisation and impairment losses beginning of year	(57,865,732)	(5,042,636)
Amortisation for the year	(8,149,801)	0
Amortisation and impairment losses end of year	(66,015,533)	(5,042,636)
Carrying amount end of year	6,291,948	0

3 Development projects

Capitalised development projects concern the development of new versions of existing projects as well as development of new systems used for remote administration of IT environments, digital class leadership and live chat systems. The progress in the various projects follows the plan and Management's expectations.

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost beginning of year	260,303
Cost end of year	260,303
Depreciation and impairment losses beginning of year	(260,303)
Depreciation and impairment losses end of year	(260,303)
Carrying amount end of year	0

5 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	13,471,033	895,169
Additions	0	392,761
Cost end of year	13,471,033	1,287,930
Carrying amount end of year	13,471,033	1,287,930

Investments in subsidiaries	Registered in	Equity interest %
Netop Tech Inc.	USA	100.00
Netop Tech SRL	Romania	100.00
Netop Tech Development Center SRL	Romania	100.00

6 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK	Outstanding after 5 years 2023 DKK
Other payables	347,305	347,305
	347,305	347,305

7 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Impero Holding Denmark ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

8 Assets charged and collateral

The company has issued a pledge to third party amounting to DKK 19.2 million. The pledges assets are tangible fixed assets, inventory and trade receivables.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of sales and other external expenses.

Revenue

Revenue is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Revenue from license agreements where the customer has the right to implement the company's products at end users, is recognised up front, whereas revenue from subscription agreements is recognised over time.

Own work capitalised

Own work capitalised comprises staff costs incurred in the financial year and recognised in cost for proprietary intangible assets.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet**Intellectual property rights etc.**

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as other external expenses and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights,

the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3-6 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc. are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3 to 10

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.