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Insurance Business Applications A/S

Rued Langgaards Vej 8
2300 Copenhagen S
CVR No. 33361319

Annual report 2021

The Annual General Meeting adopted the annual report on 30.06.2022

Peter Bruun Nikolajsen
Chairman of the General Meeting

Contents

Entity details

Entity

Insurance Business Applications A/S
Rued Langgaards Vej 8
2300 Copenhagen S

Business Registration No.: 33361319
Registered office: Copenhagen
Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Niels Ulrik Mortensen, Chairman
Thomas Weilby Knudsen
Anders Engdal
Erik Balck Sørensen

Executive Board

Morten Bruun Steiner, CEO
Jesper Slot

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Insurance Business Applications A/S for the financial year 01.01.2021 - 31.12.2021.

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

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations for the financial year 01.01.2021 - 31.12.2021.

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.

Copenhagen, 30.06.2022

Executive Board

Morten Bruun Steiner
CEO

Jesper Slot

Board of Directors

Niels Ulrik Mortensen
Chairman

Thomas Weilby Knudsen

Anders Engdal

Erik Balck Sørensen

Independent auditor's report

To the shareholders of Insurance Business Applications A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Insurance Business Applications A/S for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2021 and of the results of their operations for the financial year 01.01.2021 - 31.12.2021 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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group 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.

Material uncertainty related to going concern

We refer to note 1 in the financial statements which indicates that the company's continued operations, depends on the realizations of capital injections from investors. Management is convinced with its track record from previous years capital injections and negotiations with current and potential new investors, that it can secure the needed capital to continue the operations. Since the final terms and conditions are not known at the date of approval of the annual report there is uncertainty related to the company's ability to continue as going concern.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 30.06.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen
State Authorised Public Accountant
Identification No (MNE) mne33712

Christoffer Anholm Salmon
State Authorised Public Accountant
Identification No (MNE) mne47918

Management commentary

Primary activities
IBA develops and markets a modern insurance platform, IBSuite, for international insurance companies. IBSuite is offered to customers as a cloud-based Software as a Service (SAAS) solution, based on a subscription service. IBSuite facilitates our customers to act fully in the insurance industry and comply with local rules and regulations including GDPR. The platform enables our customers to very fast create, launch and adjust insurance products and services in any given market.

IBA has subsidiaries in USA, UK, Spain, Germany, Romania and Japan.

Development in activities and finances
As interest in the market were picking up end of last year IBA continued increasing its investments in 2021. However, the post Covid-19 situation has still influenced sales opportunities and sales cycles as insurers were hesitating to invest in new IT infrastructure throughout 2021. Despite these circumstances IBA managed to keep the same level of activity as last year through intensive work with existing customers expanding and optimizing their IBSuite environments. Recurring revenue from continuing customers increased during 2021 but we also had some customers who went bankrupt and a few old customers who terminated their activities hence the overall level of recurring revenue was slightly below last year.

In June 2021 we closed a successful financing round amount existing investors and in October 2021 we succeeded in getting BankInvest on board as a new shareholder. As in previous years we are funded annually. We refer to “events after the balance sheet date” below and Note 1 to the financial accounts.

This year’s annual report shows a loss of EUR 4,920 K for 2021 which is less than expectations due to lower gross profit.

Outlook
The existing shareholders continues to support the company financially to secure the group’s continued international growth plans. Due to uncertainty in the current financial markets IBA has temporarily reduced its growth ambitions and shift its focus towards profitability. Despite this IBA expects revenue growth within existing footprint and continued to invest in Sales & Marketing and R&D in 2022.

Events after the balance sheet date
In 2022 the company’s equity has been increased with EUR 1,8M through cash investment from the existing shareholders. The company also appointed a new CEO in May 2022.

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

Consolidated income statement for 2021

	Notes	2021 EUR	2020 EUR
Gross profit/loss		**1,452,181**	**3,407,411**
Staff costs	2	(5,188,216)	(4,375,212)
Depreciation, amortisation and impairment losses	3	(1,155,113)	(960,091)
Operating profit/loss		**(4,891,148)**	**(1,927,892)**
Other financial income	4	273,971	12,013
Other financial expenses	5	(598,215)	(576,207)
Profit/loss before tax		**(5,215,392)**	**(2,492,086)**
Tax on profit/loss for the year	6	294,972	254,239
Profit/loss for the year		**(4,920,420)**	**(2,237,847)**
Proposed distribution of profit and loss			
Retained earnings		(4,920,420)	(2,237,847)
Proposed distribution of profit and loss		**(4,920,420)**	**(2,237,847)**

Consolidated balance sheet at 31.12.2021

Assets

	Notes	2021 EUR	2020 EUR
Completed development projects	8	3,699,572	3,180,049
Acquired trademarks		6,830	7,823
Intangible assets	7	**3,706,402**	**3,187,872**
Other fixtures and fittings, tools and equipment		22,231	25,881
Leasehold improvements		112,629	164,778
Property, plant and equipment	9	**134,860**	**190,659**
Deposits		118,768	126,814
Financial assets	10	**118,768**	**126,814**
Fixed assets		**3,960,030**	**3,505,345**
Trade receivables		779,235	811,264
Contract work in progress		0	195,163
Deferred tax	11	372,482	266,250
Other receivables		150,320	287,029
Prepayments		89,994	90,423
Receivables		**1,392,031**	**1,650,129**
Cash		**2,729,119**	**1,928,863**
Current assets		**4,121,150**	**3,578,992**
Assets		**8,081,180**	**7,084,337**

Equity and liabilities

	Notes	2021 EUR	2020 EUR
Contributed capital		62,295	43,623
Retained earnings		3,651,725	(315,400)
Equity		**3,714,020**	**(271,777)**
Payables to owners and management		2,275,682	4,454,350
Other payables		839,852	1,139,104
Non-current liabilities other than provisions	12	**3,115,534**	**5,593,454**
Current portion of non-current liabilities other than provisions	12	302,558	672,736
Contract work in progress		0	136,220
Trade payables		552,353	212,787
Payables to owners and management		27,659	78,527
Tax payable		32,170	4,253
Other payables		336,886	658,137
Current liabilities other than provisions		**1,251,626**	**1,762,660**
Liabilities other than provisions		**4,367,160**	**7,356,114**
Equity and liabilities		**8,081,180**	**7,084,337**
Going concern	1		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Transactions with related parties	15		
Subsidiaries	16		

Consolidated statement of changes in equity for 2021

	Contributed capital EUR	Share premium EUR	Retained earnings EUR	Total EUR
Equity beginning of year	43,623	0	(315,400)	(271,777)
Increase of capital	18,515	8,868,756	0	8,887,271
Transferred from share premium	0	(8,868,756)	8,868,756	0
Exchange rate adjustments	157	0	18,789	18,946
Profit/loss for the year	0	0	(4,920,420)	(4,920,420)
Equity end of year	**62,295**	**0**	**3,651,725**	**3,714,020**

Notes to consolidated financial statements

1 Going concern

The company's continued operations until the companies operating income becomes positive, depends on the realizations of capital injections from investors. Management expects that current and potential investors will provide additional capital to the company during the second half of 2022. Management is convinced with its track from previous years capital injections and negotiations with current and potential new investors, that it can secure the needed capital to continue the operations. However, since the final terms and conditions are not known at the date of approval of the annual report there is uncertainty related to the company’s ability to continue as going concern.

In June 2022 the company received 1,8m EUR in capital injection from existing investors.

2 Staff costs

	2021 EUR	**2020 EUR**
Wages and salaries	5,394,270	4,544,117
Pension costs	390,427	271,054
Other social security costs	63,073	56,238
Other staff costs	48,905	41,507
	5,896,675	**4,912,916**
Staff costs classified as assets	(708,459)	(537,704)
	5,188,216	**4,375,212**
Average number of full-time employees	**64**	**59**

3 Depreciation, amortisation and impairment losses

	2021 EUR	**2020 EUR**
Amortisation of intangible assets	1,088,467	910,533
Depreciation on property, plant and equipment	66,646	49,558
	1,155,113	**960,091**

4 Other financial income

	2021 EUR	**2020 EUR**
Exchange rate adjustments	273,971	12,013
	273,971	**12,013**

5 Other financial expenses

	2021 EUR	2020 EUR
Other interest expenses	264,570	456,549
Exchange rate adjustments	300,090	96,429
Other financial expenses	33,555	23,229
	598,215	**576,207**

6 Tax on profit/loss for the year

	2021 EUR	2020 EUR
Current tax	77,482	11,469
Change in deferred tax	(372,454)	(265,708)
	(294,972)	**(254,239)**

7 Intangible assets

	Completed development projects EUR	Acquired trademarks EUR
Cost beginning of year	7,707,803	9,944
Exchange rate adjustments	2,805	3
Additions	1,605,834	0
Cost end of year	**9,316,442**	**9,947**
Amortisation and impairment losses beginning of year	(4,527,754)	(2,121)
Exchange rate adjustments	(1,644)	(1)
Amortisation for the year	(1,087,472)	(995)
Amortisation and impairment losses end of year	**(5,616,870)**	**(3,117)**
Carrying amount end of year	**3,699,572**	**6,830**

8 Development projects

The recognized "Completed development projects" relate to the development of the company's SaaS platform, IBsuite. The Saas platform is further developed on an ongoing basis, which is why there will be ongoing addition to the development project. The company's core services, are delivered through the platform.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR	Leasehold improvements EUR
Cost beginning of year	155,476	215,502
Exchange rate adjustments	2,972	(4,118)
Additions	11,206	0
Cost end of year	**169,654**	**211,384**
Depreciation and impairment losses beginning of year	(129,595)	(50,724)
Exchange rate adjustments	(48)	835
Depreciation for the year	(17,780)	(48,866)
Depreciation and impairment losses end of year	**(147,423)**	**(98,755)**
Carrying amount end of year	**22,231**	**112,629**

10 Financial assets

	Deposits EUR
Cost beginning of year	126,814
Exchange rate adjustments	(110)
Additions	148
Disposals	(8,084)
Cost end of year	**118,768**
Carrying amount end of year	**118,768**

11 Deferred tax

Deferred tax consists of tax credit. The tax credit is expected to be paid in November 2022.

12 Non-current liabilities other than provisions

	Due within 12 months 2021 EUR	Due within 12 months 2020 EUR	Due after more than 12 months 2021 EUR	Outstanding after 5 years 2021 EUR
Payables to owners and management	0	370,288	2,275,682	0
Other payables	302,558	302,448	839,852	224,728
	302,558	**672,736**	**3,115,534**	**224,728**

Payables to owners and management consist of long term debt to Vækstfonden.
The short-term amount of 28k EUR consist of accrued interest for the loans.

13 Unrecognised rental and lease commitments

	2021 EUR	2020 EUR
Total liabilities under rental or lease agreements until maturity	**545,316**	**648,568**

14 Contingent liabilities

	2021 EUR	2020 EUR
Recourse and non-recourse guarantee commitments	40,342	40,326
Contingent liabilities	**40,342**	**40,326**

Shareholder loan are secured by way of a company charge of EUR 3,026 thousand nominal provided by the Company. The company charges include the below assets with the following carrying amounts at the balance sheet date.

Completed development projects 3,719k EUR
Acquired trademarks 7k EUR
Other fixtures and fittings, tools and equipment 22k EUR
Trade receivables 405k EUR

The loans contain a bonus scheme in the events of an exit, the management has deemed it as unlikely that this will be executed, and have consequently not accrued for this.

15 Transactions with related parties

The annual report only discloses related party transactions that have not been completed on a normal basis market conditions. No such transactions have been completed during the financial year.

16 Subsidiaries

	Registered in	Corporate form	Ownership %
IB Applications Limited	England	LTD	100,0
Insurance Business Applications SRL	Romania	SRL	100,0
Insurance Business Appliaciona SL	Spain	SL	100,0
IB Applications INC	USA	INC	100,0
IB Applications GmbH	Germany	GmbH	100,0
IB Applications KK	Japan	KK	100,0

Parent income statement for 2021

	Notes	2021 EUR	2020 EUR
Gross profit/loss		**(1,150,464)**	**1,184,533**
Staff costs	2	(2,848,317)	(2,324,936)
Depreciation, amortisation and impairment losses	3	(1,106,262)	(928,601)
Operating profit/loss		**(5,105,043)**	**(2,069,004)**
Income from investments in group enterprises		198,284	42,266
Other financial income	4	172,072	27,622
Other financial expenses	5	(558,193)	(504,439)
Profit/loss before tax		**(5,292,880)**	**(2,503,555)**
Tax on profit/loss for the year	6	372,460	265,708
Profit/loss for the year		**(4,920,420)**	**(2,237,847)**
Proposed distribution of profit and loss			
Retained earnings		(4,920,420)	(2,237,847)
Proposed distribution of profit and loss		**(4,920,420)**	**(2,237,847)**

Parent balance sheet at 31.12.2021

Assets

	Notes	2021 EUR	2020 EUR
Completed development projects	8	3,719,036	3,199,461
Acquired trademarks		6,831	7,823
Intangible assets	7	**3,725,867**	**3,207,284**
Other fixtures and fittings, tools and equipment		22,232	25,881
Property, plant and equipment	9	**22,232**	**25,881**
Investments in group enterprises		474,318	277,425
Deposits		77,547	77,370
Financial assets	10	**551,865**	**354,795**
Fixed assets		**4,299,964**	**3,587,960**
Trade receivables		404,775	664,081
Receivables from group enterprises		716,621	1,252,379
Deferred tax	11	372,487	266,250
Other receivables		75,019	229,170
Prepayments		77,903	76,405
Receivables		**1,646,805**	**2,488,285**
Cash		**2,486,175**	**935,404**
Current assets		**4,132,980**	**3,423,689**
Assets		**8,432,944**	**7,011,649**

Equity and liabilities

	Notes	2021 EUR	2020 EUR
Contributed capital		62,295	43,623
Reserve for net revaluation according to equity method		460,710	243,285
Reserve for development costs		3,719,035	3,186,468
Retained earnings		(528,020)	(3,745,153)
Equity		**3,714,020**	**(271,777)**
Payables to owners and management		2,275,713	4,454,350
Other payables		839,864	1,139,104
Non-current liabilities other than provisions	12	**3,115,577**	**5,593,454**
Current portion of non-current liabilities other than provisions	12	302,562	672,736
Contract work in progress		0	136,220
Trade payables		547,208	170,968
Payables to group enterprises		469,696	40,053
Payables to owners and management		27,659	78,527
Other payables		256,222	591,468
Current liabilities other than provisions		**1,603,347**	**1,689,972**
Liabilities other than provisions		**4,718,924**	**7,283,426**
Equity and liabilities		**8,432,944**	**7,011,649**
Going concern	1		
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Transactions with related parties	15		

Parent statement of changes in equity for 2021

	Contributed capital EUR	Share premium EUR	Reserve for net revaluation according to the equity method EUR	Reserve for development costs EUR	Retained earnings EUR
Equity beginning of year	43,623	0	243,285	3,186,468	(3,745,153)
Increase of capital	18,515	8,868,756	0	0	0
Transferred from share premium	0	(8,868,756)	0	0	8,868,756
Exchange rate adjustments	157	0	19,187	0	(398)
Transfer to reserves	0	0	198,238	532,567	(730,805)
Profit/loss for the year	0	0	0	0	(4,920,420)
Equity end of year	**62,295**	**0**	**460,710**	**3,719,035**	**(528,020)**

	Total EUR
Equity beginning of year	(271,777)
Increase of capital	8,887,271
Transferred from share premium	0
Exchange rate adjustments	18,946
Transfer to reserves	0
Profit/loss for the year	(4,920,420)
Equity end of year	**3,714,020**

The company has established a warrant program for its employees. Total comitted and planned warrants constitute nominal shares of 50.974, of which 37.584 have been allocated. The warrants allow employees the option to purchase shares at a fixed price. The vesting period is within 48 months and the board of directors are empowered to determine the terms for the granted share option, including the exercise price.

Notes to parent financial statements

1 Going concern

The company's continued operations until the companies operating income becomes positive, depends on the realizations of capital injections from investors. Management expects that current and potential investors will provide additional capital to the company during the second half of 2022. Management is convinced with its track from previous years capital injections and negotiations with current and potential new investors, that it can secure the needed capital to continue the operations. However, since the final terms and conditions are not known at the date of approval of the annual report there is uncertainty related to the company's ability to continue as going concern.

In June 2022 the company received 1,8m EUR in capital injection from existing investors.

2 Staff costs

	2021 EUR	2020 EUR
Wages and salaries	3,115,260	2,537,549
Pension costs	390,432	271,054
Other social security costs	28,848	14,620
Other staff costs	22,247	39,417
	3,556,787	**2,862,640**
Staff costs classified as assets	(708,470)	(537,704)
	2,848,317	**2,324,936**

Average number of full-time employees	**29**	**25**

3 Depreciation, amortisation and impairment losses

	2021 EUR	2020 EUR
Amortisation of intangible assets	1,088,482	908,679
Depreciation on property, plant and equipment	17,780	19,922
	1,106,262	**928,601**

4 Other financial income

	2021 EUR	2020 EUR
Financial income from group enterprises	29,158	22,411
Exchange rate adjustments	142,914	5,211
	172,072	**27,622**

5 Other financial expenses

	2021 EUR	2020 EUR
Other interest expenses	263,457	456,083
Exchange rate adjustments	266,582	28,935
Other financial expenses	28,154	19,421
	558,193	**504,439**

6 Tax on profit/loss for the year

	2021 EUR	2020 EUR
Change in deferred tax	(372,460)	(265,708)
	(372,460)	**(265,708)**

7 Intangible assets

	Completed development projects EUR	Acquired trademarks EUR
Cost beginning of year	7,731,833	9,944
Exchange rate adjustments	2,912	4
Additions	1,605,856	0
Cost end of year	**9,340,601**	**9,948**
Amortisation and impairment losses beginning of year	(4,532,372)	(2,121)
Exchange rate adjustments	(1,706)	(1)
Amortisation for the year	(1,087,487)	(995)
Amortisation and impairment losses end of year	**(5,621,565)**	**(3,117)**
Carrying amount end of year	**3,719,036**	**6,831**

8 Development projects

The recognized "Completed development projects" relate to the development of the company's Saas platform, IBsuite. The SaaS platform is further developed on an ongoing basis, which is why there will be ongoing addition to the development project. The company's core services, are delivered through the platform.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment EUR
Cost beginning of year	155,476
Exchange rate adjustments	2,974
Additions	11,206
Cost end of year	**169,656**
Depreciation and impairment losses beginning of year	(129,595)
Exchange rate adjustments	(49)
Depreciation for the year	(17,780)
Depreciation and impairment losses end of year	**(147,424)**
Carrying amount end of year	**22,232**

10 Financial assets

	Investments in group enterprises EUR	Deposits EUR
Cost beginning of year	34,140	77,370
Exchange rate adjustments	13	29
Additions	0	148
Cost end of year	**34,153**	**77,547**
Revaluations beginning of year	243,285	0
Exchange rate adjustments	19,186	0
Share of profit/loss for the year	198,284	0
Investments with negative equity value depreciated over receivables	(20,590)	0
Revaluations end of year	**440,165**	**0**
Carrying amount end of year	**474,318**	**77,547**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

11 Deferred tax

Deferred tax consists of tax credit. The tax credit is expected to be paid in November 2022.

12 Non-current liabilities other than provisions

	Due within 12 months 2021 EUR	Due within 12 months 2020 EUR	Due after more than 12 months 2021 EUR	Outstanding after 5 years 2021 EUR
Payables to owners and management	0	370,288	2,275,713	0
Other payables	302,562	302,448	839,864	224,728
	302,562	**672,736**	**3,115,577**	**224,728**

Payables to owners and management consist of long term debt to Vækstfonden.
The short term amount of 28k EUR consist of accrued interest for the loans

13 Unrecognised rental and lease commitments

	2021 EUR	2020 EUR
Total liabilities under rental or lease agreements until maturity	**116,031**	**173,992**

14 Contingent liabilities

	2021 EUR	2020 EUR
Recourse and non-recourse guarantee commitments	40,342	40,326
Contingent liabilities	**40,342**	**40,326**

Shareholder loan are secured by way of a company charge of 3,026k EUR nominal provided by the Company. The company charges include the below assets with the following carrying amounts at the balance sheet date.

Completed development projects 3,719k EUR
Aquired trademarks 7k EUR
Other fixtures and fittings, tools and equipment 22k EUR
Trade receivables 405k EUR

The loans contain a bonus scheme in the events of an exit, the management has deemed it as unlikely that this will be executed, and have consequently not accrued for this.

15 Transactions with related parties

The annual report only discloses related party transactions that have not been completed on a normal basis market conditions. No such transactions have been completed during the financial year.

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 consolidated financial statements and parent financial statements are consistent with those applied last year.

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.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

Revenue

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

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Cost of sales

Cost of sales comprises assistance from external consultants.

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 wages and salaries, 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.

Income from investments in group enterprises
Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

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.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

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 under 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 salaries 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 5 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 on a straight-line basis 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
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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. For self-constructed assets, cost comprises direct and #indirect costs of materials, components, subsuppliers and labour costs.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the manufacturing process are recognised in cost based on time spent on each asset.

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:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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 recognised and measured in the parent financial statements according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method in equity.

Investments in group enterprises 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.

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a contract in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts, and finance costs are recognised in the income statement as incurred.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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.

Tax payable or receivable
Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.