

DECIDEACT

ANNUAL REPORT 2021



DECIDEACT HELPS COMPANIES ENGAGE THE ENTIRE ORGANIZATION IN ACHIEVING BUSINESS GOALS.

DecideAct's solution solves one of the biggest problems in corporate business: every minute, \$3 million are wasted in failed strategy implementation. Additionally, our new solution for ESG (Environmental, Social and Governance) addresses one of humanity's biggest problems: unsustainable

growth and waste to the tune of \$2 trillion per year. Our vision is to modernize strategic leadership through technology—which aligns perfectly with our commitment to help clients turn all their strategic and ESG goals into reality.

DECIDEACT



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EXECUTIVE SUMMARY

2021: DELIVERING ON FISCAL AND GROWTH OBJECTIVES

We entered 2021 as a newly listed company with very little commercial footprint—predominantly in Iceland, with a first-generation product and an ambitious plan supported by a strong team. Our achievements since then prove that we deliver on our objectives and that there are customers in new markets and new industries who want to buy our solution.

2021 RESULTS ARE AS EXPECTED

The company's annual result of DKK -18.6 million for 2021 is as expected, influenced significantly by important investments in further product development, marketing, sales, and customer success management. Our ARR is DKK 8.74 million (consolidated for the group 31 December 2021), equity is DKK 17.2 million, and intangible assets are DKK 12.8 million.

WELL IN LINE WITH OUR GROWTH STRATEGY

The pandemic made it an uncertain start, so our team is especially proud of our quantum leap forward. DecideAct is now a well-established company with a global SaaS solution and continued ARR growth. All in all, we're perfectly aligned with our long-term growth strategy.

ARR for 2021 is DKK 8.74 million

Churn is zero

Cash reserve is DKK 12.8 million

OUR 2021 ACCOMPLISHMENTS INCLUDE:

- ARR of DKK 8.74 million by 31 December 2021
- zero churn (no customers have discontinued subscription)
- constantly growing pipeline facilitated by well-structured marketing and sales procedures
- new industries and new countries entered
- new customers in four markets (Iceland, Denmark, France, and Canada)
- customer success process streamlined
- technological platform improved and new front-end technology deployed
- new strong module to help organizations deliver on their ESG (Environmental, Social and Governance) strategies
- significant additional financing secured through a private placement and a loan commitment from Vækstfonden (Danish Growth Fund)



We can tick off our major 2021 objectives and now get our organization ready for further growth.

—Flemming Videriksen, CEO

ORGANIZATIONAL READINESS

Like other small businesses with an uncompromising focus on achieving their commercial goals, we have growing pains. During the audit process, it has become clear that we have made administrative errors which we have learned from, addressed, and corrected. None of the issues have had a negative material impact on our accounts. We want nothing less than first-class administrative skills and procedures and, as a first step, have made an interim onboarding of an experienced CFO and engaged PwC to assist in establishing mature procedures.

145% INCREASE IN ARR IS BEST IN CLASS

It is highly unusual with ARR growth of more than 100% year over year. According to the Danish Software-as-a-Service index produced by HC Andersen Capital, all included Danish companies in the category have ARR growth below 100%. For more information, please see “DecideAct Company Intro-

duction to investors, March 2022”. Link: https://www.decideact.net/wp-content/uploads/2022/03/Investor_company-intro-march22_11.pdf

OUR GOAL: DKK 100 MILLION IN ARR

Our sales pipeline indicates expected growth in ARR in 2022 of 80–150%. Our next big financial goal is to reach DKK 100 million in ARR by continuing to create value for our customers and investors.

CONCLUSION

We’ve worked tirelessly to strengthen the foundation for scaling and growth by strengthening our brand, further developing our products, and expanding our sales force internationally. We’re so near to our sales target that overall, we can describe last year as close to perfect. And with a growing customer base, zero churn rate, and sufficient liquidity to support our ambitions, we believe it’s safe to say that DecideAct is right on track.

STATEMENT FROM CEO:

“STEP ONE OF THE STRATEGY DELIVERED”

“DecideAct’s management considers 2021 as a satisfactory delivery of the first phase of the company’s strategy. With an ARR of DKK 8.74 million at the end of 2021, DecideAct has increased its annual recurring revenue by 145% since the IPO in December 2020. During 2021, we gained traction in several countries and verticals. In addition, we have continued to build strong client relationships—the churn rate has been zero (no customers lost) in 2021. We have the liquidity to fund our current plan and our sales channels indicate excellent growth. Therefore, we declare Step One of our strategy delivered.”

KEY METRICS

(CONSOLIDATED FOR THE GROUP ON 31 DECEMBER 2021)

ARR:

DKK 8.74 million

CHURN:

0 %

GROWTH IN AVERAGE CONTRACT
AMOUNT:

6 %

ARR GROWTH:

145 %

CONTRIBUTION TO ARR GROWTH FROM
NEW CUSTOMERS:

57 %

CONTRIBUTION TO ARR GROWTH FROM
EXISTING CUSTOMERS:

43 %

TOTAL CASH RESERVE/LIQUIDITY:

DKK 12.8 million

GROWTH IN NUMBER OF CUSTOMERS:

131 %

EQUITY:

DKK 17.2 million

INVESTMENTS (SOFTWARE
DEVELOPMENT):

DKK 3.9 million

INTANGIBLE ASSETS:

DKK 12.8 million

Key figures

	2020	2021 half-year	2021
Gross profit (DKK)	-3,910,770	-5,439,129	-14,738,880
Operating profit/loss (DKK)	-6,010,525	-7,735,026	-18,807,055
Profit/loss for the year (DKK)	-6,620,645	-7,660,884	-18,579,841



KEY POINT OF NAVIGATION: DKK 100 MILLION IN ARR

OUR STRATEGY AIMS TO MAKE DECIDEACT A DOMINANT PLAYER IN SEM

Our next big financial goal is to reach DKK 100 million in ARR. Whether we reach the DKK 100 million steadily or in several sprints is not crucial. What matters is that we become a dominant player in the SEM market, own the knowledge domain, and create top value for our investors and customers.

ACCELERATING GROWTH—ESTIMATES FOR THE FUTURE

To meet the diverse needs of our customers, we offer elastic pricing with a range of subscription packages where adjustable and flexible levels of expertise are included in the service level agreements for each subscription. This is part of the pricing structure on which we base our estimates. We set some preliminary growth targets before the IPO, and we achieved the first ARR target for 2021. However, we find it more relevant (and accurate) to report on how much we are growing—and focus strategically on continuous long-term growth. Our updated expectation for annual growth in ARR is 80–150% over the next two to three years.

CLEAR LINE OF SIGHT—FOUR MUST-WIN BATTLES

As we grow from startup to scaleup to top SEM brand worldwide, there are some crucial battles that we must win:

1. STRENGTHEN SALES

Build a professional, predictable, and data-driven sales organization focused on funnel management and closing sales.

2. SELL EXPERTISE ON SUBSCRIPTION

Build a support center that makes onboarding seamless, promotes excellence in Strategy Execution Management, organically increases sales, and prevents churn.

3. DATA-DRIVEN MARKETING

We're changing to a super-digital and data-driven approach to branding and marketing. This new method promises better results than ever before!

4. STRENGTHEN PRODUCT DEVELOPMENT

To keep our momentum in a fast-growing SEM product marketplace, we will almost double the size of our organization by adding 15 new full-time team members.

5. ORGANIZATIONAL READINESS

We work continuously to professionalize and develop the organizational backbone and infrastructure of the company to pave the way for further growth as well as strengthen our risk management and secure compliance with requirements from customers, the stock market, and rules and regulations.

2021 HIGHLIGHTS

24 January:	First contract in the Danish supply sector	1 June:	J. Munch further increases shareholding to 15.01% of the share capital
26 January:	Former Client Director at Gartner to lead sales efforts in the French market	1 June:	DecideAct enters collaboration agreement in South Korea
5 February:	First customer in the Danish insurance industry	8 June:	First customer in the Energy Optimization industry (France)
12 February:	Blockchain technology launch	15 June:	Top executive in Public Administration to lead DecideAct's public sector efforts
18 February:	J. Munch increases shareholding to 12.04% of the share capital	22 July:	DecideAct raises another DKK 14.8 million in equity
18 February:	New Strategy Execution Expert joins DecideAct	8 August:	First contract in the Danish education sector
26 March:	Partnership contract with a leading French consultancy company	12 August:	DKK 15 million Accelerated Growth Plan launched
28 March:	2020 Annual Report published	28 August:	Half-year report published
29 March:	First customer in the Canadian market	30 August:	One-week DecideAct Team Strategy Meeting on Bornholm
31 March:	Contract with The National Church of Iceland	27 September:	Launched groundbreaking tool for corporate ESG strategy execution
31 March:	First customer in France	19 October:	First contract in the aviation industry
9 April:	Contract with first incubator (France)	1-4 November:	Participated in Web Summit Conference in Lisbon
15 April:	Collaboration agreement with leading strategy professor	10 November:	First contract signed in the Pharma Engineering industry
19 April:	Contract with the second-largest municipality in Iceland		
20-22 April:	Participated in Collision Tech Conference in Toronto		
31 May:	Annual General Meeting of DecideAct A/S		

**VISION: MODERNIZE
STRATEGIC LEADERSHIP
THROUGH TECHNOLOGY**

**MISSION: TRANSFORM
STRATEGY INTO ACTION**

**VALUE PROPOSITION:
HELP ENGAGE THE ENTIRE
ORGANIZATION IN ACHIEVING
BUSINESS GOALS**

**GOALS: BECOME A DOMINANT
PLAYER IN SEM AND OWN
THE KNOWLEDGE DOMAIN**



DECIDEACT MANAGEMENT COMMENTARY

FROM STARTUP TO ACCELERATING THE BUSINESS

PRIMARY ACTIVITIES

By rethinking the way strategy is executed, DecideAct's groundbreaking SaaS solution is relevant to all organizations, public or private, in all industries, locations, and functional roles. The Strategy Execution Management category has vast potential, and currently there is no household brand or unicorn in the field. Having proven its viability and relevance in many different businesses, DecideAct has the potential to become a dominant player in SEM.

We like to say that DecideAct is to strategy what an accounting system is to financials. It helps

companies establish real top-down strategy governance that's as transparent, tangible, and measurable as their finances. Think of DecideAct as a GPS for strategy: it helps management stay on track and reach the company's business goals.

DecideAct doesn't just make life easier for management. Now that working from home is the new norm, your team's engagement in achieving the organization's long-term goals is even more vital. DecideAct promotes bottom-up engagement as all team members see how they contribute to the strategy's execution.

MATERIAL CHANGES IN ACTIVITIES AND FINANCES

IMPORTANT ACHIEVEMENTS AND OUR CURRENT STATUS

In 2021, we proved that our product is relevant and attractive to all types of businesses. At year-end, we hit within the target range of our ARR goal with 145% growth since the December 2020 IPO. Our sales team is growing the pipeline and we now have customers in four markets: Iceland, Denmark, Canada, and France. Our team members are well-qualified and believe in our purpose. During the year, we strengthened our financial position with a private placement. We launched an improved front-end and our new ESG platform. We have experienced no customer churn. Finally, our Customer Success Team is in place and working brilliantly.

SALES GROWTH AND A HEALTHY PIPELINE

In our industry, a deal's timing depends on when the customer is ready to roll out its strategy. The SEM sales process can take between three weeks and nine months, and there is typically less activity during and after the summer. Our client base is growing steadily, we closed many deals in the latter part of 2021, and we ended the year with a healthy pipeline—all encouraging signs of steady growth.

OUR CHALLENGES AND HOW WE TACKLE THEM

As we shift from a startup mentality to running and scaling the business, we're now considered a scaleup. This means we're moving from informal, largely autonomous workflows to more structured processes—and putting facts above emotions in decision-making with a more data-driven approach. It also means strengthening our organization and organizational readiness to enable further growth.



Our main task is to create the optimal path to growth and become a dominant player in our category.

—Flemming Videriksen, CEO

We are still challenged by a relatively long sales cycle, which we are working to mitigate. But together with a growing pipeline, the coming years should bring greater predictability to sales. We are always looking for new ways to clarify priorities, to enhance focus on what matters—and we use the DecideAct SEM platform ourselves to stay on track.

GROWING PAINS

Small companies with an uncompromised focus on meeting their commercial targets are rarely the first ones to establish first-class administrative skills and procedures. During the audit process, it has become clear that DecideAct is no exception to this rule. This has now been addressed by onboarding a new and experienced interim CFO and PwC has been engaged to professionalize the financial administration of the company. Relevant procedures have been established to avoid any repetitions in the future. All errors have been corrected, none of the issues have had a negative material impact on our accounts.

INVESTOR RELATIONS BUILT ON TRUST

We want our investor relationships to be based on trust and credibility; the benchmark is an investor's willingness (in principle) to double their investment at any time. We see our investors as co-owners and strive for the greatest possible transparency, with due regard to competitive conditions and the interests of our clients. Our announcement procedure works well, and investor queries are answered within a week. We see great support from our long-

INVESTOR RELATIONS:

In 2021, we issued 23 corporate announcements via Nasdaq, 10 press releases, 34 social media posts, participated in six online investor events, and garnered 504 mentions in various media (mainly online in Scandinavia).



DecideAct's software solution is highly scalable and hits a global trend. The product is aimed directly at decision-makers, and strategy execution is high on the agenda in all major companies.”

—Jens Munch, Investor

term investors—some have even put us in touch with valuable leads under their own initiative.

PEOPLE ARE EVERYTHING

An organization is only as good as its people, and in terms of human resources, DecideAct is exceptionally well-equipped. We've attracted good people to every position and built an organization of smart, kind, professional, and competent individuals who all see themselves in our values: courage, integrity, and balance. These values were sealed during a successful and productive summer team meeting on Bornholm at the end of August.

STRONG COLLABORATIVE CULTURE

We have a strong collaborative culture where team members work remotely either on solitary tasks or on team projects. Our outstanding communication protocols keep everything running smoothly 24/7. We have streamlined staffing and onboarding processes, which is particularly important as we expect to double our team in size by 2023. Although the current job market is not in our favor, we're confident that news of our excellent team and nurturing corporate culture will spread (as these things do in the tech world), attracting the best and brightest new talent to our doorstep.

SUPERIOR TECH DRIVES SALES

Decide Act's existence is justified by the value we create for our customers. Our sales team's performance is linked to our ability to deliver a state-of-the-art in Strategy Execution Management solution. Moreover, we need our solutions to be



visible to potential customers. Therefore, technical development and communication are two sides of the same coin.

NEW PRODUCTS AND FEATURES

During 2021, we launched new products and product presentations for corporations, ESG, and the public sector. We developed a podcast format that will launch in 2022. And we have completed a White Paper and a global Strategy Maturity Survey, which we expect to raise awareness and debate about SEM as a management discipline. On the development front, we also launched a new and improved product dashboard—giving the user experience another boost. Furthermore, we strengthened the scalability and security of the technical platform.

DATA-DRIVEN MARKETING AND SALES

We are working hard to improve our marketing efforts to optimally support sales. This means that we're constantly fine-tuning our activities as we get more and more data. The goal is to turn our marketing team into a lean, data-driven machine generating high-quality leads.

STRONG CASH POSITION

In July 2021, DecideAct received a private placement adding DKK 14.8 million, greatly strengthening the company's capital base and ability to accelerate growth. In addition, Vækstfonden in Denmark approved a growth loan of DKK 6 million that DecideAct had applied for before the IPO. The company's total available liquidity reserve by 31 December 2021 was DKK 12.8 million.

EVENTS AFTER BALANCE SHEET CLOSING DATE

In March 2022 DecideAct has raised an additional DKK 5 million in new capital through a private placement. By 1 April we have strengthened our financial management and CFO function by onboarding a new and experienced interim CFO and by engaging PwC to professionalize the financial administration of the company, assist with the establishment of mature procedures and support the development of internal quality control of the ongoing financial process and reporting. No other events have occurred since the Balance Sheet closing date that would influence the evaluations in this financial report. It is currently assessed that COVID-19, as it has evolved, will not affect the company's financial position and development. However, it should be stressed that the current geopolitical situation in the world may lead to a degree of instability that makes it difficult to make assessments of what the future looks like.

EARNING/SHARE AND NUMBER OF SHARES

	Shares before dilution	Shares after dilution	Earning/share before dilution	Earning/share after dilution
2020	7,683,177		-0.86	
2021	7,683,177	8,908,847	-2.42	-2.08

OUR FOCUS FOR 2022

Our focus for 2022 is all about growing our ARR 80-150% and preparing to deliver in the coming years. Our short-term focus is on additional strategic initiatives to attract more clients.

TECH DEVELOPMENT:

A UNIQUE PLATFORM THAT GETS BETTER EVERY DAY

Strategy Execution Management has evolved much in the last few years, and more and more companies are optimizing their strategy management with the DecideAct solution. The true SaaS solution offers real-time updates, in-depth analytics, data visualization, and private strategy management. It's never been easier to include your team in the excitement of reaching your company's strategic goals; greatly improving corporate culture in the process.

The DecideAct solution pulls data from multiple sources and uses artificial intelligence to perform advanced and unique predictions. The system

learns employee behavior (such as identifying weak links in workflow) and industry verticals related to our customers' core businesses. Corporate leadership not only gains unique insights into its own strategies, but also of global metrics for comparison—a feature that will keep DecideAct in the SEM driver's seat for years to come.

We've also improved our SaaS solution with new dashboards, ESG (Environmental, Social and Governance) framework support, and Promise-Based Execution strategy implementations—new and unique features that tailor the perfect SEM solution for our clients.





Peter Søndergaard
Former Executive Vice President and
head of Gartner Research
Chairman of the Board

LETTER FROM THE CHAIRMAN

THE SEM MARKET IS STEADILY MATURING

2022 again presents substantial societal changes and challenges. These changes include increased digitalization, ongoing supply chains disruptions, business models, models of work, energy prices, the political environment, and climate change. All these factors and more impact organizational strategy and its execution.

In January, we published a survey on Maturity in Strategy Execution covering 400 organizations in 71 countries. The study clearly showed the need to professionalize companies' strategic management—and that companies that take this seriously perform better. The obvious first step is to digitize the process, a conclusion that's rapidly spreading in boardrooms around the world.

We are now clearly in the scaleup phase with significant market opportunities. Our growth strategy centers on three key Pillars:

- Build a customer-centric approach to supporting organizations (businesses, public institutions, and non-profits) in their efforts to optimize strategy execution.
- Strengthen our technology platform (e.g., blockchain and artificial intelligence) to add even greater value to our solution.
- Promote our world-class team and corporate culture to help attract the best and brightest new talent as we continue to grow.

In 2021, we made significant progress on all three Pillars. We will continue to strengthen our offerings, such as the new ESG module, as we become the bellwether in Strategy Execution Management technology.

I want to thank you and all our stakeholders for your continued support. We're confident that, together, we're making DecideAct the brand that defines Strategy Execution Management.

FROM NANOTECH IN FRANCE TO PEOPLE'S CHURCH IN ICELAND...



DecideAct is relevant for all types of organizations in all countries

In the year since the IPO, it's become obvious that organizations in various markets and industries want to buy our solution. This includes both public and private companies that want to succeed

in their business strategy—from large multinationals to smaller companies and affiliates. This illustrates our platform's scalability, a feature that will be central to a targeted marketing effort.

DECIDEACT

DECIDEACT A/S

**Østre Kajgade 3
3730 Nexø**

CVR no. 36 07 77 35

**Annual report for 2021
(7th Financial year)**

Adopted at the annual general
meeting on 24 May 2022

Chairman of the general meeting

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Statement by management on the annual report

The Board of Directors and executive board have today considered and approved the annual report of DECIDEACT A/S for the financial year 1. January - 31. December 2021.

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

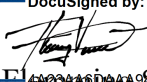
In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31. December 2021 and of the results of its operations and cash flows for the financial year 1. January - 31. December 2021.

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

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

Nexø, 9 April 2022

Executive board

DocuSigned by:


Flemming Sylvang Videriksen,
CEO

DocuSigned by:



Bjarni Snæbjörn Jónsson

Board of Directors

DocuSigned by:



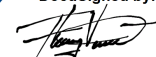
Peter Søndergaard Jensen
Chairman

DocuSigned by:



Bjarni Snæbjörn Jónsson

DocuSigned by:



Flemming Sylvang Videriksen

DocuSigned by:



Jacob Tackmann Thomsen

DocuSigned by:



Þórey G. Guðmundsdóttir

Independent auditor's report

To the shareholders of DECIDEACT A/S

Auditors' Report on the Financial Statements

Opinion

We have audited the financial statements of DECIDEACT A/S for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity, cash flow statement and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2021 and of the results of the company's operations and cash flows for the financial year 1 January - 31 December 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 the 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 our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

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 under the Danish Financial Statements Act.

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 of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Report on other legal and regulatory requirements and other reporting responsibilities Breach of company law and similar legislation

As described in note 7 of the annual report, the Company has had a receivable from an entity controlled by a non-controlling shareholder of DecideAct A/S, which is not in compliance with the Company's Act, for which reason Management may be held liable. The receivables with interests were paid back in March 2022.

Breach of tax, duty and subsidy legislation

The Company has not reported taxable staff benefits to the tax authorities on a regular basis and has thus not withheld tax thereon in the financial year 2021. Thus, as the provisions of the Danish Withholding Tax Act have not been complied with in this respect, Management may be held liable. The Company has subsequently reported these benefits collectively for the income year 2021 in March 2022.

Independent auditor's report

Aarhus, 9 April 2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

DocuSigned by:



Mads Patterskov
State Authorised Accountant
MNE no. mne35428

DocuSigned by:



Jens Lauridsen
State Authorised Accountant
MNE no. mne34323

Company details

The company

DECIDEACT A/S
Østre Kajgade 3
3730 Nexø

CVR no.: 36 07 77 35

Reporting period: 1. January - 31. December 2021

Incorporated: 1 September 2014

Financial year: 7th financial year

Domicile: Bornholm

Board of Directors

Peter Søndergaard Jensen, Chairman
Bjarni Snæbjörn Jónsson
Flemming Sylvang Videriksen
Jacob Tackmann Thomsen
Thorey G. Gudmundsdottir

Executive board

Flemming Sylvang Videriksen, CEO
Bjarni Snæbjörn Jónsson

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus

Accounting policies

The annual report of DECIDEACT A/S for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities.

Furthermore, the company has decided to implement the recommendations made in the Danish accounting standards pertaining to reporting class B and C entities.

The accounting policies applied are consistent with those of last year.

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

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

Accounting policies

Monthly Recurring Revenue (MRR) and Annual Recurring Revenue (ARR)

MRR is calculated as: MRR at the beginning of the month +MRR gained for new customers for the month + MRR gained for customers upgraded for the month, deducted with MRR change from downgrading customers for the month and MRR churn for the month.

Contracted MRR is calculated as: MRR + MRR for contracts, that are signed and planned to be realized.

Contracted ARR is calculated as: Contracted MRR multiplied with 12

Revenue

Revenue from royalty is recognised in the income statement when royalty 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.

Costs of sales

Cost of sales comprises goods consumed in the financial year measured at cost.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for administration costs, investor relations etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

Accounting policies

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed with related intellectual property rights.

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

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 3-10 years

Investments in subsidiaries

Investments in subsidiaries and associates are measured in the parent company financial statements using the equity method.

Investments in subsidiaries with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Accounting policies

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.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash

Cash comprises deposits at banks.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

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.

Accounting policies

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

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities, and cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes, and financial income, financial expenses and income tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisition and investment of enterprises, and purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, purchase of treasury shares and payment of dividend.

Cash and cash equivalents

Cash and cash equivalents comprise of cash.

Income statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit		-14,738,880	-3,910,770
Staff costs	1	<u>-2,283,282</u>	<u>-671,561</u>
Profit/loss before amortisation/depreciation and impairment losses		-17,022,162	-4,582,331
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>-1,784,893</u>	<u>-1,428,194</u>
Profit/loss before net financials		-18,807,055	-6,010,525
Income from investments in subsidiaries		-1,507,194	-1,115,786
Financial income	2	112,660	43,593
Financial costs	3	<u>-626,156</u>	<u>-633,953</u>
Profit/loss before tax		-20,827,745	-7,716,671
Tax on profit/loss for the year	4	<u>2,247,904</u>	<u>1,096,026</u>
Profit/loss for the year		<u>-18,579,841</u>	<u>-6,620,645</u>
Distribution of profit			
Recommended appropriation of profit/loss			
Retained earnings		<u>-18,579,841</u>	<u>-6,620,645</u>
		<u>-18,579,841</u>	<u>-6,620,645</u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Assets			
Completed development projects		12,784,176	10,689,509
Intangible assets	5	<u>12,784,176</u>	<u>10,689,509</u>
Investments in subsidiaries	6	3,452,611	8,545
Fixed asset investments		<u>3,452,611</u>	<u>8,545</u>
Total non-current assets		<u>16,236,787</u>	<u>10,698,054</u>
Receivables from subsidiaries		138,522	2,284,653
Other receivables		1,137,820	676,231
Receivable from shareholders and management	7	1,123,366	0
Corporation tax		341,285	0
Joint taxation contributions receivable		444,619	494,162
Prepayments		107,979	37,199
Receivables		<u>3,293,591</u>	<u>3,492,245</u>
Cash at bank and in hand		<u>12,782,366</u>	<u>15,514,930</u>
Total current assets		<u>16,075,957</u>	<u>19,007,175</u>
Total assets		<u><u>32,312,744</u></u>	<u><u>29,705,229</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Equity and liabilities			
Share capital		890,885	768,318
Reserve for development expenditure		9,732,767	7,810,191
Retained earnings		6,574,340	12,531,225
Equity		<u>17,197,992</u>	<u>21,109,734</u>
Provision for deferred tax		0	1,462,000
Total provisions		<u>0</u>	<u>1,462,000</u>
Other credit institutions		6,356,690	2,231,230
Total non-current liabilities	8	<u>6,356,690</u>	<u>2,231,230</u>
Banks	8	206,152	0
Other credit institutions	8	0	400,600
Trade payables		1,215,641	1,136,099
Payables to subsidiaries		6,564,677	16,876
Other payables	9	771,592	237,215
Deferred income		0	573,000
Convertible and profit-yielding instruments of debt		0	2,538,475
Total current liabilities		<u>8,758,062</u>	<u>4,902,265</u>
Total liabilities		<u>15,114,752</u>	<u>7,133,495</u>
Total equity and liabilities		<u><u>32,312,744</u></u>	<u><u>29,705,229</u></u>

Statement of changes in equity

	Share capital	Share premium account	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2021	768,318	0	7,810,191	12,531,225	21,109,734
Exchange rate adjustments	0	0	0	7,056	7,056
Increase of capital	122,567	14,671,270	0	-132,794	14,661,043
Transfer to reserves	0	-14,671,270	1,922,576	12,748,694	0
Net profit/loss for the year	0	0	0	-18,579,841	-18,579,841
Equity at 31 December 2021	890,885	0	9,732,767	6,574,340	17,197,992

	Share capital	Share premium account	Reserve for development expenditure	Retained earnings	Total
Equity last year					
Equity at 1 January 2020	62,500	0	7,115,121	-4,492,068	2,685,553
Exchange rate adjustments	0	0	0	296	296
Increase of capital	705,818	26,309,388	0	-1,970,676	25,044,530
Transfer to reserves	0	-26,309,388	695,070	25,614,318	0
Net profit/loss for the year	0	0	0	-6,620,645	-6,620,645
Equity at 31 December 2020	768,318	0	7,810,191	12,531,225	21,109,734

Cash flow statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Net profit/loss for the year		-18,579,841	-6,620,645
Adjustments	14	1,557,679	2,518,867
Change in working capital	15	-259,553	2,239,943
Cash flows from operating activities before financial income and expenses		-17,281,715	-1,861,835
Interest income and similar income		112,660	43,593
Interest expenses and similar charges		-626,156	-633,956
Cash flows from operating activities		-17,795,211	-2,452,198
Purchase of intangible assets		-3,879,560	-3,328,614
Investment in subsidiaries		-4,951,260	-1,124,331
Cash flows from investing activities		-8,830,820	-4,452,945
Repayment of convertible loan		-2,538,475	191,019
Repayment of loans from credit institutions		-275,140	-45,923
Payables to subsidiaries		7,832,832	-3,769,125
Raising of loans from credit institutions		4,000,000	1,000,000
Raising of other long-term debt		206,152	0
Cash capital increase		14,668,098	25,044,826
Cash flows from financing activities		23,893,467	22,420,797
Change in cash and cash equivalents		-2,732,564	15,515,654
Cash and cash equivalents		15,514,930	-724
Cash and cash equivalents		12,782,366	15,514,930
Analysis of cash and cash equivalents:			
Cash at bank and in hand		12,782,366	15,514,930
Cash and cash equivalents		12,782,366	15,514,930

Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	2,764,589	900,820
Pensions	222,000	129,229
Other social security costs	5,959	2,272
Other staff costs	<u>23,283</u>	<u>0</u>
	3,015,831	1,032,321
Transfer to development projects	<u>-732,549</u>	<u>-360,760</u>
	<u>2,283,282</u>	<u>671,561</u>
Average number of employees	<u>2</u>	<u>1</u>
2 Financial income		
Interest received from subsidiaries	82,535	23,790
Other financial income	29,841	0
Exchange gains	<u>284</u>	<u>19,803</u>
	<u>112,660</u>	<u>43,593</u>
3 Financial costs		
Financial expenses, amortisation of loan costs	19,457	0
Other financial costs	559,760	618,550
Exchange loss	<u>46,939</u>	<u>15,403</u>
	<u>626,156</u>	<u>633,953</u>

Notes

	2021	2020
	DKK	DKK
4 Tax on profit/loss for the year		
Current tax for the year	-785,904	-494,162
Deferred tax for the year	-1,462,000	-454,173
Adjustment of deferred tax concerning previous years	0	-147,691
	<u>-2,247,904</u>	<u>-1,096,026</u>

5 Intangible assets

	Completed development projects
Cost at 1 January 2021	12,117,703
Additions for the year	3,879,560
Disposals for the year	-332,861
Cost at 31 December 2021	<u>15,664,402</u>
Impairment losses and amortisation at 1 January 2021	1,428,194
Amortisation for the year	1,784,893
Reversal for the year of previous years' impairment losses	-332,861
Impairment losses and amortisation at 31 December 2021	<u>2,880,226</u>
Carrying amount at 31 December 2021	<u>12,784,176</u>

Decideact transforms strategy into action and makes the implementation of strategies tangible, quantifiable and transparent. DecideAct develops intuitive systems, with new technological approaches to executing essential strategies in private and public companies. Focus is also on cross-cutting management of e.g. ESG and climate strategies, which will ensure a much higher level of achievement of goals for important international efforts. Development takes place on the basis of dialogue with current and future customers, which thus contributes in an interactive development process, with focus on future demands in different sectors. Investments in new solutions are expected to be good business, so no write downs have been made.

Notes

	2021 DKK	2020 DKK
6 Investments in subsidiaries		
Cost at 1 January 2021	1,124,036	1
Additions for the year	4,950,105	1,124,035
Cost at 31 December 2021	6,074,141	1,124,036
Revaluations at 1 January 2021	-1,115,491	-1
Impairment losses for the year	0	-1,100,000
Exchange adjustment	-2,488	296
Net profit/loss for the year	258,834	-15,786
Revaluations for the year, net	-1,762,385	0
Revaluations at 31 December 2021	-2,621,530	-1,115,491
Carrying amount at 31 December 2021	3,452,611	8,545

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Decideact Solutions ApS	Nexø	100%	2,806,308	568,397
Decideact Solutions ehf.	Reykjavik	100%	115,325	109,565
Decideact Cloud Solution for Strategy Execution Management Inc.	New Brunswick	100%	530,978	-419,128
			3,452,611	258,834

Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
7 Receivable from shareholders and management		
Receivable from shareholders and management	<u>1,123,366</u>	<u>0</u>

The Company had a receivable from a company which is controlled by Katla Seed Invest ApS which is now being a non-controlling shareholder of DecideAct A/S. The receivable bears interest at the rate applicable according to Section 194 of the Company's Act (currently 9.55% p.a.) The maximum lending in the financial year before interest amounted to DKK 302k. This receivable with interests has been settled by payment in 2022.

Also, the Company has receivables from Katla Seed Invest ApS. This relates to a standing loan of DKK 312k, which was established when Katla Seed Invest ApS was a parent company to the Company, and a tax receivable (tax credit scheme) of DKK 500k from when Katla Seed Invest ApS was the administration company in a joint taxation scheme for 2020 covering the Company. The tax receivable has been settled by payment in 2022. The receivables bear interests of 4% p.a.

8 Long term debt

	<u>2021</u>	<u>2020</u>
	DKK	DKK
Other credit institutions		
After 5 years	712,989	509,601
Between 1 and 5 years	<u>5,643,701</u>	<u>1,721,629</u>
Non-current portion	6,356,690	2,231,230
Within 1 year	<u>0</u>	<u>400,600</u>
Current portion	<u>0</u>	<u>400,600</u>
	<u>6,356,690</u>	<u>2,631,830</u>

Notes

	2021	2020
	DKK	DKK
9 Other payables		
Accrued interest	76,160	44,209
Wages/salaries, salary taxes, social security contributions, etc.	695,432	192,596
Other accrued expenses	0	410
	771,592	237,215

10 Shared-based programme

The Board of Directors is authorized to issue warrants in one or more transactions until 1 September 2025 at the latest to employees, consultants, collaborators, the executive committee and the board of directors of the Company by up to 450,000 shares of DKK 0.10 without the existing shareholders having any pre-emption rights in accordance with the specific guidelines drawn up by the annual general meeting or the Board of Directors and effect the related increase of the Company's share capital.

The Company has not granted warrants from this pool as of 31.12.2021, nor have any terms of these warrants been determined.

11 Contingent assets

Deferred tax receivable of DKK 2,2 mio is not recognized in the income statement and balance.

12 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement 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.

Notes

13 Mortgages and collateral

The company has a ban on pledging of fixed assets, intangible assets, inventory, receivables, etc. and has submitted a letter of indemnity nom. 4,200 t.kr. as security for balances with Vækstfonden. The corporate mortgage includes intangible and tangible fixed assets, inventories and receivables from sales. The carrying amount of pledged intangible fixed assets amounts to 12.784 t.kr.

	<u>2021</u>	<u>2020</u>
	DKK	DKK
14 Cash flow statement - adjustments		
Financial income	-112,660	-43,593
Financial costs	626,156	633,953
Depreciation, amortisation and impairment losses	1,784,893	1,761,056
Income from investments in subsidiaries	1,507,194	1,115,786
Tax on profit/loss for the year	-2,247,904	-948,335
	<u>1,557,679</u>	<u>2,518,867</u>
15 Cash flow statement - change in working capital		
Change in receivables	417,771	-37,199
Change in trade payables, VATetc.	-677,324	2,277,142
	<u>-259,553</u>	<u>2,239,943</u>

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