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Visio Sign A/S

Pilehøj 9
3460 Birkerød
CVR No. 13931690

Annual report 01.04.2020 - 31.03.2021

The Annual General Meeting adopted the annual report on 09.06.2021

Leo Christiansen
Chairman of the General Meeting

Contents

Entity details

Entity

Visio Sign A/S

Pilehøj 9

3460 Birkerød

CVR No.: 13931690

Registered office: Rudersdal

Financial year: 01.04.2020 - 31.03.2021

Board of Directors

Hajime Miyashita, Chairman

Niels Hermansen

Leo Christiansen

Helle Rosenstand Heuch

Executive Board

Leo Christiansen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Visio Sign A/S for the financial year 01.04.2020 - 31.03.2021.

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 31.03.2021 and of the results of its operations for the financial year 01.04.2020 - 31.03.2021.

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.

Karlslunde, 09.06.2021

Executive Board

Leo Christiansen

Board of Directors

Hajime Miyashita
Chairman

Niels Hermansen

Leo Christiansen

Helle Rosenstand Heuch

Independent auditor's report

To the shareholders of Visio Sign A/S

Opinion

We have audited the financial statements of Visio Sign A/S for the financial year 01.04.2020 - 31.03.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2021 and of the results of its operations for the financial year 01.04.2020 - 31.03.2021 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 financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required 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.

Copenhagen, 09.06.2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Jens Jørgensen Baes
State Authorised Public Accountant
Identification No (MNE) mne14956

Management commentary

Primary activities

As in previous years, the main activity has consisted of development and sale of web based IT solutions.

Development in activities and finances

The year has been characterised by the coronavirus pandemic, our preparation for the merger with dnp Denmark and the continued work on our three-year strategy imposed by the Board of Directors in 2019.

In April 2020, the Executive Board, in cooperation with the Board of Directors, decided to revise the budget for the financial year 2020/21. Many VisioSign customers were to become affected by shutdowns, and it was the assessment that, in particular, new sales to these customers would be impacted. Furthermore, it was expected that some customers would terminate their service agreements. At the end of the year, we saw that sales to new customers as well as additional sales to existing customers were below expectations. However, very few customers terminated their current service agreement, which is why the year ended close to the revised budget.

The result of the year shows a loss of DKK 601 thousand for the financial year 2020/21 compared to a loss of DKK 1.590 thousand in 2020. Management considers the result of the year unsatisfactory. As a result of the dnp Denmark acquisition on January 1st 2020, the comparative figures only comprise a 3 months period from 01.01.2020 – 31.03.2020.

It has been decided to merge VisioSign with the owner company dnp Denmark as of April 1st 2021 to strengthen the Company as a whole and to make better use of resources. The purpose of the merger to strengthen sales work with a larger and wider mix of products and to combine staff functions such as logistics, marketing and development.

The major investments initiated in 2019, including a new platform among other things, have developed as expected and in the beginning of 2021, we were able to start using the new VisioSign Cloud. Expectedly, this will provide a strong market position and the opportunity to pursue the strategy in other markets.

Thus, the necessary measures have been taken in this financial year to secure growth in the coming years.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report. The re-opening of the society after the COVID-19 crisis will be a determining factor for the economic impact the following year.

Income statement for 2020/21

	Notes	2020/21 DKK	2020 DKK
Gross profit/loss		**9,771,585**	**1,677,648**
Staff costs	2	(10,060,863)	(3,277,731)
Depreciation, amortisation and impairment losses		(407,684)	(109,407)
Operating profit/loss		**(696,962)**	**(1,709,490)**
Income from investments in group enterprises	3	128,730	171,246
Other financial income		59,071	0
Financial expenses from group enterprises	4	(52,584)	(13,036)
Other financial expenses	5	(38,948)	(39,207)
Profit/loss for the year		**(600,693)**	**(1,590,487)**
Proposed distribution of profit and loss			
Retained earnings		(600,693)	(1,590,487)
Proposed distribution of profit and loss		**(600,693)**	**(1,590,487)**

Balance sheet at 31.03.2021

Assets

	Notes	2020/21 DKK	2020 DKK
Completed development projects	7	0	127,587
Development projects in progress	7	3,159,541	1,935,635
Intangible assets	6	**3,159,541**	**2,063,222**
Other fixtures and fittings, tools and equipment		994,181	922,880
Leasehold improvements		33,500	50,983
Property, plant and equipment	8	**1,027,681**	**973,863**
Investments in group enterprises		828,341	708,635
Financial assets	9	**828,341**	**708,635**
Fixed assets		**5,015,563**	**3,745,720**
Manufactured goods and goods for resale		2,240,476	2,047,151
Inventories		**2,240,476**	**2,047,151**
Trade receivables		700,182	1,519,678
Receivables from group enterprises		0	1,800,071
Other receivables		539,306	562,007
Prepayments		489,996	364,763
Receivables		**1,729,484**	**4,246,519**
Cash		**891,529**	**760,334**
Current assets		**4,861,489**	**7,054,004**
Assets		**9,877,052**	**10,799,724**

Equity and liabilities

	Notes	2020/21 DKK	2020 DKK
Contributed capital		625,000	625,000
Reserve for development expenditure		2,464,442	1,609,313
Retained earnings		(4,775,695)	(3,364,878)
Equity		**(1,686,253)**	**(1,130,565)**
Payables to group enterprises		2,133,952	2,081,368
Non-current liabilities other than provisions	10	**2,133,952**	**2,081,368**
Trade payables		18,711	1,002,312
Payables to group enterprises		402,760	372,813
Other payables	11	2,971,351	2,729,513
Deferred income		6,036,531	5,744,283
Current liabilities other than provisions		**9,429,353**	**9,848,921**
Liabilities other than provisions		**11,563,305**	**11,930,289**
Equity and liabilities		**9,877,052**	**10,799,724**
Unusual circumstances	1		
Unrecognised rental and lease commitments	12		
Contingent liabilities	13		

Statement of changes in equity for 2020/21

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	625,000	1,609,313	(3,364,878)	(1,130,565)
Exchange rate adjustments	0	0	45,005	45,005
Transfer to reserves	0	855,129	(855,129)	0
Profit/loss for the year	0	0	(600,693)	(600,693)
Equity end of year	**625,000**	**2,464,442**	**(4,775,695)**	**(1,686,253)**

Notes

1 Unusual circumstances

Unusual circumstances are income and expenses that are special due to their size and nature. The Company has for the financial year received a total compensation of DKK 86 thousand from the COVID-19 compensation packages. The received compensation is recognised under other operating income.

2 Staff costs

	2020/21 DKK	2020 DKK
Wages and salaries	9,117,247	2,549,688
Pension costs	545,955	139,163
Other social security costs	109,697	36,441
Other staff costs	287,964	552,439
	10,060,863	**3,277,731**

Average number of full-time employees	21	22

3 Income from investments in group enterprises

Income from investments in group enterprises relates to the share profit for the year and this years amortisation of goodwill.

4 Financial expenses from group enterprises

Financial expenses from group enterprises relates to the interest costs of the loans from group companies

5 Other financial expenses

	2020/21 DKK	2020 DKK
Other financial expenses	38,948	39,207
	38,948	**39,207**

6 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	7,440,458	1,935,635
Additions	0	1,223,906
Cost end of year	**7,440,458**	**3,159,541**
Amortisation and impairment losses beginning of year	(7,312,871)	0
Amortisation for the year	(127,587)	0
Amortisation and impairment losses end of year	**(7,440,458)**	**0**
Carrying amount end of year	**0**	**3,159,541**

7 Development projects

Developments projects comprise development of software and IT solutions.

8 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	3,021,490	87,399
Additions	333,915	0
Cost end of year	**3,355,405**	**87,399**
Depreciation and impairment losses beginning of year	(2,098,610)	(36,416)
Depreciation for the year	(262,614)	(17,483)
Depreciation and impairment losses end of year	**(2,361,224)**	**(53,899)**
Carrying amount end of year	**994,181**	**33,500**

9 Financial assets

	Investments in group enterprises DKK
Cost beginning of year	615,785
Exchange rate adjustments	38,414
Cost end of year	**654,199**
Revaluations beginning of year	92,850
Exchange rate adjustments	6,589
Amortisation of goodwill	(51,237)
Share of profit/loss for the year	179,968
Investments with negative equity value depreciated over receivables	(54,028)
Revaluations end of year	**174,142**
Carrying amount end of year	**828,341**
Goodwill or negative goodwill recognised during the financial year	461,131

Investments in subsidiaries	Registered in	Equity interest %
Visiosign Sverige AB	Sweden	100

10 Non-current liabilities other than provisions

	Due after more than 12 months 2020/21 DKK
Payables to group enterprises	2,133,952
	2,133,952

Payables to group enterprises falls due within 5 years.

11 Other payables

	2020/21 DKK	2020 DKK
VAT and duties	782,251	607,209
Wages and salaries, personal income taxes, social security costs, etc payable	288,252	19,649
Holiday pay obligation	1,760,115	1,626,197
Other costs payable	140,733	476,458
	2,971,351	**2,729,513**

12 Unrecognised rental and lease commitments

	2020/21 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	983,011	796,650

13 Contingent liabilities

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

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 certain provisions for reporting class C.

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

Due to company acquisition, last years financial period covers a 3 month period from 01.01.20 - 31.03.20. The comparative figures are affected hereof.

Consolidated financial statements

Referring to section 112(2) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

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

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

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

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

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

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, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, 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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

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

Staff costs

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

Depreciation, amortisation and impairment losses

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

Income from investments in group enterprises
nvestments 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 interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish
Tax Prepayment Scheme etc.

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

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

Balance sheet

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

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

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	3-5 years
Leasehold improvements	5 years

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 according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus unamortised goodwill and plus or minus unrealised intra-group profits or losses. Refer to the above section on business combinations for more details about the accounting policies used on acquisitions of investments in group enterprises.

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 under equity.

Goodwill is the positive difference between cost of investments and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years. For other amounts of goodwill, useful life has been determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. Useful lives are reassessed annually. The amortisation periods used are 10 years.
Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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

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

Cash
Cash comprises cash in hand and bank deposits.

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

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