



Asterion Denmark A/S

Brøndby Stadion 20

2605 Brøndby

CVR No. 25943147

Annual Report 2020

20. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 23 June 2021

Vitalie Robu
Chairman

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Asterion Denmark A/S

Management's Statement

Today, Management has considered and adopted the Annual Report of Asterion Denmark A/S for the financial year 1 January 2020 - 31 December 2020.

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 assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

The conditions for not conducting an audit of the Financial Statement have been met.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Brøndby, 23 June 2021

Executive Board

Jaymin Harshad Chhaya
Man. Director

Supervisory Board

Vitalie Robu
Chairman

Jaymin Harshad Chhaya
Member

Orvar Tore Parling
Member

Asterion Denmark A/S

Company details

Company	Asterion Denmark A/S Brøndby Stadion 20 2605 Brøndby
CVR No.	25943147
Date of formation	2 March 2001
Registered office	Brøndby
Supervisory Board	Vitalie Robu Jaymin Harshad Chhaya Orvar Tore Parling
Executive Board	Jaymin Harshad Chhaya, Man. Director

Management's Review

The Company's principal activities

The Company's principal activities consist in graphic production, among other things according to the Print on Demand concept, i.e. production of very small quantities of software manuals of high quality at short time notice.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of DKK -842.582 and the Balance Sheet at 31 December 2020 a balance sheet total of DKK 1.662.613 and an equity of DKK 586.390.

Post financial year events

The beginning of 2020 brought the spread of the COVID-19 virus (coronavirus) in many countries. This has an adverse influence on the global economy. It is currently not possible to present in exact numbers the potential influence of the current situation on the company's operations. Any potential effects will be taken into account in the books of account and the financial statements for the year 2020.

Uncertainties relating to going concern

The company has lost more than 50 percent of the company capital and is therefore subject to the rules on capital losses in the Danish Companies Act. Management expects that equity will be established at the company's own earnings.

The company relies on necessary funding from the company's capital owners. The management expects the funding to be provided by the company's capital owners and, accordingly, to submit annual reports on the assumption of continued operation.

Accounting Policies

Reporting Class

The Annual Report of Asterion Denmark A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue and production costs.

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

Production costs

Production costs include costs incurred to generate the revenue for the year, including costs for raw materials, consumables, direct labour costs and indirect production costs such as maintenance and depreciation, etc, as well as operation, administration and management of factories.

Distribution costs

Distribution costs comprise costs incurred for the distribution of goods sold during the year etc.

Administration expenses

Expenses incurred during the year for management and administration are recognised in administration expenses. This includes expenses incurred for the administrative staff, Management, offices, office expenses and similar expenses and amortisation and impairment of tangible assets.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies and allowances under the tax prepayment scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Accounting Policies

Balance Sheet

Tangible assets

Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	3-7 years	0%

Gains or losses arising from the disposal of plant and equipment are determined as the difference between the selling price less selling costs and the carrying amounts at the time of sale. Gains or losses are recognised in the income statement as other operating income or other operating expense.

Inventories

Inventories are measured at cost on the basis of the FIFO principle. Where the net realisable value is lower than cost, the inventories are written down to this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The net realisable value of inventories is calculated as the selling price less costs of completion and costs incurred to make the sale. The value is determined taking into account the negotiability of inventories, obsolescence and expected development in sales price.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

Accounting Policies

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Payables

Payables are measured at amortised cost, which usually corresponds to the nominal value

Accruals and deferred income entered as liabilities

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

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Income Statement

	Note	2020 DKK	2019 DKK
Gross profit		-261.039	129.702
Distribution costs	1	-7.420	-19.426
Administrative expenses	1	-592.245	-466.887
Profit from ordinary operating activities		-860.704	-356.611
Other finance income from group enterprises		0	216
Other finance income		17.952	368
Other finance expenses		-2.119	-20.137
Profit from ordinary activities before tax		-844.871	-376.164
Tax expense on ordinary activities		2.289	94.502
Profit		-842.582	-281.662
 Proposed distribution of results			
Retained earnings		-842.582	-281.662
Distribution of profit		-842.582	-281.662

Asterion Denmark A/S

Balance Sheet as of 31 December

	Note	2020 DKK	2019 DKK
Assets			
Fixtures, fittings, tools and equipment		4.659	12.511
Property, plant and equipment		4.659	12.511
Fixed assets			
Raw materials and consumables		52.995	45.351
Inventories		52.995	45.351
Short-term trade receivables		164.581	176.052
Short-term receivables from group enterprises		1.246.222	1.789.645
Current deferred tax		96.791	94.502
Deferred income		16.753	15.465
Receivables		1.524.347	2.075.664
Cash and cash equivalents		80.612	122.364
Current assets		1.657.954	2.243.379
Assets		1.662.613	2.255.890

Balance Sheet as of 31 December

	Note	2020 DKK	2019 DKK
Liabilities and equity			
Contributed capital		3.500.000	3.500.000
Retained earnings		-2.913.610	-2.071.028
Equity		586.390	1.428.972
Trade payables		203.952	137.008
Payables to group enterprises		367.115	255.839
Other payables		436.508	383.003
Accruals and deferred income		68.648	51.068
Short-term liabilities other than provisions		1.076.223	826.918
Liabilities other than provisions within the business		1.076.223	826.918
Liabilities and equity		1.662.613	2.255.890
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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	3.500.000	-2.071.028	1.428.972
Profit (loss)	<u>0</u>	<u>-842.582</u>	<u>-842.582</u>
Equity 31 December 2020	<u>3.500.000</u>	<u>-2.913.610</u>	<u>586.390</u>

Notes

	2020	2019
1. Employee benefits expense		
Average number of employees	<u>4</u>	<u>4</u>

2. Uncertainties relating to going concern

The company has lost more than 50 percent of the company capital and is therefore subject to the rules on capital losses in the Danish Companies Act. Management expects that equity will be established at the company's own earnings.

The company relies on necessary funding from the company's capital owners. The management expects the funding to be provided by the company's capital owners and, accordingly, to submit annual reports on the assumption of continued operation.

3. Contingent liabilities

The Company has incurred operational rental and lease obligations of DKK 667.614 per 31 December 2020.

4. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

5. Related parties

Asterion International GmbH is fully owned via Exela Technologies Holding GmbH by Exela Technologies Inc. as US public company listed at NASDAQ (XELA). The Company is included in the published quarterly and annual Group Accounts of Exela Technologies Inc. The Consolidated Financial Statements can be found online at <https://investors.exelatech.com/>