



Asterion Denmark A/S

Brøndby Stadion 20

2605 Brøndby

CVR No. 25943147

Annual Report 2021

21. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 30 June 2022

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 2021 - 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 assets, liabilities and financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January 2021 - 31 December 2021.

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, 30 June 2022

Executive Board

Jaymin Harshad Chhaya
Man. Director

Supervisory Board

Vitalie Robu
Chairman

Jaymin Harshad Chhaya

Orvar Tore Parling

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 2021 - 31 December 2021 shows a result of DKK -1.387.366 and the Balance Sheet at 31 December 2021 a balance sheet total of DKK 1.229.327 and an equity of DKK -800.976.

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 2021 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.

General Information

Basis of recognition and measurement

The financial statements have been prepared under the historical cost principle.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

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.

Accounting Policies

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.

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
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Accounting Policies

		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.

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

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Accounting Policies

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	2021 DKK	2020 DKK
Gross profit		-534.021	-261.039
Distribution costs	2	-11.606	-7.420
Administrative expenses	2	-668.563	-592.245
Profit from ordinary operating activities		-1.214.190	-860.704
Other finance income		0	17.952
Other finance expenses		-76.385	-2.119
Profit from ordinary activities before tax		-1.290.575	-844.871
Tax expense on ordinary activities		-96.791	2.289
Profit		-1.387.366	-842.582
Proposed distribution of results			
Retained earnings		-1.387.366	-842.582
Distribution of profit		-1.387.366	-842.582

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Balance Sheet as of 31 December

	Note	2021 DKK	2020 DKK
Assets			
Fixtures, fittings, tools and equipment		40.467	4.659
Property, plant and equipment		40.467	4.659
Fixed assets		40.467	4.659
Raw materials and consumables		46.674	52.995
Inventories		46.674	52.995
Short-term trade receivables		282.201	164.581
Short-term receivables from group enterprises		632.773	1.246.222
Current deferred tax		0	96.791
Deferred income		16.908	16.753
Receivables		931.882	1.524.347
Cash and cash equivalents		210.304	80.612
Current assets		1.188.860	1.657.954
Assets		1.229.327	1.662.613

Balance Sheet as of 31 December

	Note	2021 DKK	2020 DKK
Liabilities and equity			
Contributed capital		3.500.000	3.500.000
Retained earnings		-4.300.976	-2.913.610
Equity		-800.976	586.390
Trade payables		142.178	203.952
Payables to group enterprises		1.303.433	367.115
Other payables		526.794	436.508
Accruals and deferred income		57.898	68.648
Short-term liabilities other than provisions		2.030.303	1.076.223
Liabilities other than provisions within the business		2.030.303	1.076.223
Liabilities and equity		1.229.327	1.662.613
Contingent liabilities	3		
Collaterals and assets pledged as security	4		
Related parties	5		

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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2021	3.500.000	-2.913.610	586.390
Profit (loss)	<u>0</u>	<u>-1.387.366</u>	<u>-1.387.366</u>
Equity 31 December 2021	<u>3.500.000</u>	<u>-4.300.976</u>	<u>-800.976</u>

The Share capital has remained unchanged for the last 5 years.

Notes

2021

2020

1. 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.

2. Employee benefits expense

Wages and salaries	2.486.968	1.792.061
Post-employment benefit expense	265.369	164.428
	2.752.337	1.956.489
Average number of employees	6	4

3. Contingent liabilities

The Company has incurred operational rental and lease obligations of DKK 1.072.936 per 31 December 2021.

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/>