



## **Asterion Denmark A/S**

Brøndby Stadion 20

2605 Brøndby

CVR No. 25943147

## **Annual Report 2019**

19. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 1 June 2020

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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 2019 - 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 1 January 2019 - 31 December 2019.

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, 1 June 2020

### **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

<b>Company</b>	Asterion Denmark A/S Brøndby Stadion 20 2605 Brøndby
CVR No.	25943147
Date of formation	2 March 2001
Registered office	Brøndby
<b>Supervisory Board</b>	Vitalie Robu Jaymin Harshad Chhaya Orvar Tore Parling
<b>Executive Board</b>	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 2019 - 31 December 2019 shows a result of DKK -281.662 and the Balance Sheet at 31 December 2019 a balance sheet total of DKK 2.255.890 and an equity of DKK 1.428.972.

### **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 2019 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 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 as well as 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:

	<b>Useful life</b>	<b>Residual value</b>
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	2019 DKK	2018 DKK
<b>Gross profit</b>		<b>129.702</b>	<b>303.216</b>
Distribution costs	1	-19.426	-16.447
Administrative expenses	1	-466.887	-798.960
<b>Profit from ordinary operating activities</b>		<b>-356.611</b>	<b>-512.191</b>
Other finance income from group enterprises		216	0
Other finance income		368	2.037
Other finance expences		-20.137	-6.865
<b>Profit from ordinary activities before tax</b>		<b>-376.164</b>	<b>-517.019</b>
Tax expense on ordinary activities		94.502	0
<b>Profit</b>		<b>-281.662</b>	<b>-517.019</b>
 <b>Proposed distribution of results</b>			
Retained earnings		-281.662	-517.019
<b>Distribution of profit</b>		<b>-281.662</b>	<b>-517.019</b>

Asterion Denmark A/S

Balance Sheet as of 31 December

	Note	2019 DKK	2018 DKK
<b>Assets</b>			
Fixtures, fittings, tools and equipment		12.511	20.362
<b>Property, plant and equipment</b>		<b>12.511</b>	<b>20.362</b>
<b>Fixed assets</b>			
Raw materials and consumables		45.351	47.063
<b>Inventories</b>		<b>45.351</b>	<b>47.063</b>
Short-term trade receivables		176.052	162.363
Short-term receivables from group enterprises		1.789.645	2.395.268
Current deferred tax		94.502	0
Deferred income		15.465	6.065
<b>Receivables</b>		<b>2.075.664</b>	<b>2.563.696</b>
<b>Cash and cash equivalents</b>		<b>122.364</b>	<b>151.702</b>
<b>Current assets</b>		<b>2.243.379</b>	<b>2.762.461</b>
<b>Assets</b>		<b>2.255.890</b>	<b>2.782.823</b>

**Balance Sheet as of 31 December**

	Note	2019 DKK	2018 DKK
<b>Liabilities and equity</b>			
Contributed capital		3.500.000	3.500.000
Retained earnings		-2.071.028	-1.789.366
<b>Equity</b>		<b>1.428.972</b>	<b>1.710.634</b>
Trade payables		137.008	199.172
Payables to group enterprises		255.839	176.647
Other payables		383.003	609.153
Deferred income, liabilities		51.068	87.217
<b>Short-term liabilities other than provisions</b>		<b>826.918</b>	<b>1.072.189</b>
<b>Liabilities other than provisions within the business</b>		<b>826.918</b>	<b>1.072.189</b>
<b>Liabilities and equity</b>		<b>2.255.890</b>	<b>2.782.823</b>
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## Asterion Denmark A/S

### Statement of changes in Equity

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity 1 January 2019	3.500.000	-1.789.366	1.710.634
Profit (loss)	<u>0</u>	<u>-281.662</u>	<u>-281.662</u>
<b>Equity 31 December 2019</b>	<b><u>3.500.000</u></b>	<b><u>-2.071.028</u></b>	<b><u>1.428.972</u></b>

## Notes

	2019	2018
<b>1. Employee benefits expense</b>		
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 875.935 per 31 December 2019.

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