



Annual Report 2020



We push
for **fair play** and
transparency in
the World of
Finance

HEMONTO A/S

Åbouldevarde 21
DK-8000 Århus C
CVR: 29 83 93 95

ANNUAL REPORT 2020

1 January - 31 December 2020

The Annual Report has been presented and adopted at Hemonto's Annual General Meeting on 25 February 2021.

Torben Engedal
Chairman of the general meeting

TABLE OF CONTENTS

LETTER FROM THE CEO

- 04 Principal Activities
- 04 The Year in Brief

STATEMENT AND REPORT

- 06 Board of Directors Statement and Management's Statement
- 07 Independent Auditor's Report

FINANCIAL STATEMENTS 1 January - 31 December

- 10 Income Statement
- 11 Balance Sheet
- 13 Equity
- 14 Notes
- 17 Accounting Policies

ADDITIONAL INFORMATION

- 21 Company Details

LETTER FROM THE CEO

PRINCIPAL ACTIVITIES

Hemonto is a Danish FinTech company providing consolidated reporting and wealth monitoring. Our vision is to push for fair play and transparency in the World of Finance.

THE YEAR IN BRIEF

2020 was a year that for everyone will stand out in history with the Covid-19 pandemic raging across the globe.

In Hemonto, 2020 was a successful year with significant growth in the number of clients and in the amount of assets under monitoring. As a leading independent partner, we thank our clients for trusting us with the task to create overview and insights across all their assets.

2020 marked the last year in the company's 2020 strategy. While completing the strategic initiatives successfully and laying out the strategy for 2021 and beyond, Hemonto is fully geared for the years to come. Among the initiatives in 2020, Hemonto successfully opened its first office outside Denmark in Oslo, Norway.

The people of Hemonto are the ones to thank for a successful 2020. They have all provided an extraordinary effort and been going out of their way to service our clients. At Hemonto, we value diversity and believe being authentic brings out the best version of yourself and that this adds the highest value to our team.

In 2019, Hemonto established Hemonto LAB, a self-owned development lab, in order to accelerate and further position Hemonto as a leading FinTech within consolidated wealth reporting and monitoring.



Ken Gamskjær
CEO & Partner

“ In Hemonto, 2020 was a successful year with significant growth in the number of clients and in the amount of assets under monitoring.

As a leading independent partner, we thank our clients for trusting us with the task to create overview and insights across all their assets.

Hemonto LAB has during 2020 focused on end-to-end automated dataflows and advanced calculation engines that takes advantage of cutting-edge technologies such as AI and machine-learning.

The strategic decision to invest heavily in new technology reflects the long-term vision from the owners of Hemonto to push forward for greater transparency in the financial industry.

Due to the substantial investments in future development, the management and the board of directors have decided to capitalize the Hemonto LAB investments covering products and features not yet released in the market for 2020 and onwards to reflect a more accurate picture of the current day to day operations.

If the new revised accounting policy were applied to the 2019 Income Statement, the profit before tax would be increased from mio. DKK 2.1 to 3.4. For further information, please refer to the accounting policies.

In 2021, Hemonto will further increase the investments in both product and market development.

The company's results are considered satisfactory.



Ken Gamskjær, CEO & Partner

We monitor

30+

billion USD

We process

250+

thousand transactions

We consist of

45+

competent employees

STATEMENT AND REPORT

BOARD OF DIRECTORS STATEMENT AND MANAGEMENT'S STATEMENT

Today the Board of Directors and Executive Board have discussed and approved the Annual Report of Hemonto A/S for the financial year 1 January - 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 Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Company's operations for the financial year 1 January - 31 December 2020.

The Management Commentary includes in our opinion a fair presentation of the matters dealt with in the Commentary.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, 3 February 2021

Executive Board

Torben Engedal

Ken Gamskjær

Board of Directors

Morten Sandlykke
Chairman

Lasse Dehn-Baltzer

Martin Høyer-Hansen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Hemonto A/S

Opinion

We have audited the Financial Statements of Hemonto A/S for the financial year 1 January 31 December 2020, which comprise income statement, Balance Sheet, statement of changes in equity, notes and 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 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 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for Opinions

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. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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.

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.

INDEPENDENT AUDITOR'S REPORT

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

INDEPENDENT AUDITOR'S REPORT

Based on the work we have performed, we conclude that Management's Review 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 Management's Review.

Aarhus, 3 February 2021

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70

Morten Trap Olesen

State Authorised Public Accountant
MNE no. mne35625

FINANCIAL STATEMENTS

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2020 DKK	2019 DKK
GROSS PROFIT		22.238.383	20.866.816
Staff costs	1	-17.054.542	-18.364.264
Depreciation, amortisation and impairment losses		-365.899	-396.148
OPERATING PROFIT		4.817.942	2.106.404
Other financial income	2	47.027	0
Other financial costs		-52.781	-45.930
PROFIT BEFORE TAX		4.812.188	2.060.474
Tax on profit/loss for the year	3	-663.782	-456.054
PROFIT FOR THE YEAR		4.148.406	1.604.420
PROPOSED DISTRIBUTION OF PROFIT			
Retained earnings		4.148.406	1.604.420
TOTAL		4.148.406	1.604.420

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2020 DKK	2019 DKK
Development projects, in progress.....		5.996.523	0
Software.....		2.420	252.404
Intangible assets.....	4	5.998.943	252.404
Other plant and operating equipment.....		17.032	4.133
Property, plant and equipment.....	5	17.032	4.133
Rent deposit.....		661.366	661.366
Financial noncurrent assets.....	6	661.366	661.366
NON-CURRENT ASSETS.....		6.677.341	917.903
Trade receivables.....		821.385	741.126
Contract work in progress.....		487.399	0
Receivables from group enterprises.....		3.396.557	27.483
Prepayments and accrued income.....		286.048	374.036
Receivables.....		4.991.389	1.142.645
Cash and cash equivalents.....		5.888.620	6.146.839
CURRENT ASSETS.....		10.880.009	7.289.484
ASSETS.....		17.557.350	8.207.387

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2020 DKK	2019 DKK
Share capital.....		2.500.000	2.500.000
Reserves for development projects.....		4.677.288	0
Retained profit.....		1.152.913	1.681.795
EQUITY		8.330.201	4.181.795
Provision for deferred tax		720.220	56.438
PROVISIONS.....		720.220	56.438
Holiday pay Commitment		1.501.011	555.757
Non-current liabilities.....	7	1.501.011	555.757
Trade payables.....		77.498	152.966
Corporation tax.....		0	546.531
Other liabilities.....		5.877.850	2.713.900
Prepayments received from customers		1.050.570	0
Current liabilities.....		7.005.918	3.413.397
LIABILITIES.....		8.506.929	3.969.154
EQUITY AND LIABILITIES.....		17.557.350	8.207.387
Contingencies etc.	8		

EQUITY

	Share capital	Reserves for development projects	Retained profit	Total
Equity at 1 January 2020.....	2.500.000	0	1.681.795	4.181.795
Proposed profit allocation			4.148.406	4.148.406
Capitalized development costs.....		4.677.288	-4.677.288	0
Equity at 31 December 2020.....	2.500.000	4.677.288	1.152.913	8.330.201

NOTES

	2020 DKK	2019 DKK	Note
Staff costs			1
Average number of employees	35	38	
Wages and salaries	22.200.694	18.111.966	
Social security costs.....	213.982	252.298	
Wages related to activated development projects	-5.360.134	0	
	17.054.542	18.364.264	
Other financial income			2
Interest income from subsidiaries	47.027	0	
	47.027	0	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year.....	0	546.531	
Adjustment of deferred tax.....	663.782	-90.477	
	663.782	456.054	
Intangible assets			4
	Development projects, in progress	Software	
Cost at 1 January 2020	0	1.335.438	
Additions.....	6.109.338	0	
Cost at 31 December 2020.....	6.109.338	1.335.438	
Amortisation at 1 January 2020.....	0	1.083.034	
Amortisation for the year.....	112.815	249.984	
Amortisation at 31 December 2020.....	112.815	1.333.018	
Carrying amount at 31 December 2020.....	5.996.523	2.420	

The Company's development projects relate to the development of new software.

NOTES

		Note
Property, plant and equipment		5
	Other plant and operating equipment	
Cost at 1 January 2020	15.500	
Additions.....	15.999	
Cost at 31 December 2020.....	31.499	
Depreciation and impairment losses at 1 January 2020	11.367	
Depreciation for the year.....	3.100	
Depreciation and impairment losses at 31 December 2020	14.467	
Carrying amount at 31 December 2020	17.032	

NOTES

		Note
Financial non-current assets		6
	Rent deposit	
Cost at 1 January 2020	661.366	
Cost at 31 December 2020	661.366	
Carrying amount at 31 December 2020	661.366	

Longterm liabilities					7
	31/12 2020 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2019 total liabilities	
Holiday pay Commitment	1.501.011	0	1.300.000	555.757	
	1.501.011	0	1.300.000	555.757	

Contingencies etc.	8
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Contingent liabilities

Rents obligation

The Company has entered into lease obligations in the balance sheet date totaled 652 thousand DKK in the noncancelable period.

Operating lease

The company has signed leases for car and copiers. The contracts have a remaining maturity of 37 month with a total remaining lease payment of 204 thousand DKK.

Joint liabilities

The company is jointly and severally liable together with the parent company and the other group companies in the joint taxable group for tax on the group's joint taxable income and for certain possible withholding taxes, such as dividend tax, etc.

Tax payable on the Group's joint taxable income is stated in the annual report of NorthEast Family Office Holding ApS, which serves as management company for the joint taxation.

ACCOUNTING POLICIES

The Annual Report of Hemonto A/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

Change in accounting policies and classification

The accounting policies have been changed in the following areas:

- The company has changed its practice regarding the recognition of development projects. The management expects that the company will be able to benefit long-term from the new development, which is why it will give a more accurate picture of the company's financial position by activating the project.

Previously, the company has expensed development projects. Profit before tax would be 1,300 thousand DKK larger in 2019 if development costs had been capitalized as in 2020. Equity in 2019 would be 1,014 thousand DKK larger if the development costs had been capitalized.

The accumulated effect of the change in practice has following effect in 2020: An increase in the profit for the year before tax by 5,997 thousand DKK, as well as an increase in the balance sheet total by 5,997 thousand DKK and an increase in equity at the end of the year by 4,677 thousand DKK.

INCOME STATEMENT

Net revenue

Net revenue from sale is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

When the result of contract work cannot be assessed reliably, revenue is only recognised corresponding to related costs to the extent that it is likely that they will be recovered.

Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the taxonaccount scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

ACCOUNTING POLICIES

Tax

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets

Software is measured at cost less accumulated amortisation. Software is amortised on a straightline basis over the expected useful life which is estimated to 310 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

Development costs comprise costs, including wages and salaries, and amortisation, which directly or indirectly can be related to the Company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation or recoverable amount.

Capitalised development costs are amortised on a straightline basis over the estimated useful life after completion of the development work. The amortisation period is 10 years.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets

Other plants and operating equipment are measured at cost less accumulated depreciation and writedown.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used.

Straightline depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	<i>Useful life</i>	<i>Residual value</i>
Other plant, fixtures and equipment.....	3-5 years	0-30 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Fixed asset investments

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

ACCOUNTING POLICIES

Impairment of fixed assets

The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, writedown is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by writedown to meet expected losses.

Contract work in progress

Work in progress on contract is measured at the sales value of the work performed. The sales value is measured on the basis of the degree of completion on the balance sheet date and the total anticipated revenue related to the specific piece of work in progress.

The specific piece of work in progress is recognised in the balance sheet as receivables or payables, depending on the net value of the selling price less progress invoicing and progress payments.

Costs relating to sales work and obtaining of contracts are recognised in the income statement as and when they are incurred.

Accruals, assets

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents

Primarily include cash bank.

Tax payable and deferred tax

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

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

ACCOUNTING POLICIES

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the expected realisable value of the asset, either by setoff against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Other liabilities are measured at amortised cost equal to nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.

ADDITIONAL INFORMATION

COMPANY DETAILS

Company Hemonto A/S
Åboulevarden 21 1.
8000 Aarhus C

CVR No.: 29 83 93 95
Established: 30 August 2006
Registered Office: Aarhus
Financial Year: 1 January - 31 December

Board of Directors Morten Sandlykke, chairman
Lasse Dehn-Baltzer
Martin Høyer-Hansen

Board of Executives Torben Engedal
Ken Gamskjær

Auditor BDO Statsautoriseret revisionsaktieselskab
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