HEMONTO

Annual Report

2021

HEMONTO A/S

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

Annual Report 2021

1 January - 31 December 2021

The Annual Report has been presented and adopted at Hemonto's Annual General Meeting on 3 March 2022

Torben Engedal
Dirigent

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

HEMONTO

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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

While 2021 marked the second year with the global Covid 19 pandemic, it also marked a year filled with hope of return to a "normal" way of life. And while "normal" life did not fully return in 2021, 2022 does now look as the first real post-Covid year.

Despite the pandemic, 2021 was another successful year for Hemonto 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 of creating overview and insights across all their assets.

The Hemonto team has grown throughout 2021 and now counts more than 50 employees across four locations in Denmark and Norway.

A special thank you goes to all the people of Hemonto for their devoted effort in 2021 to work for our vision of creating fair play and transparency in the World of Finance. They are the ones to thank for the results realized in 2021. At Hemonto, we value diversity and believe being

> **Hemonto has succeeded in gaining clients across multiple new markets and developing new products within ESG and sustainability reporting together with our partners and clients.**

authentic brings out the best version of yourself and that this adds the highest value to our team.

2021 marked the first year in the company's "2021 and beyond"-strategy. The strategic initiatives for 2021 have been successfully executed and will continue in 2022.

Among the initiatives, Hemonto has succeeded in gaining clients across multiple new markets and developing new products within ESG and sustainability reporting together with our partners and clients.

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

In 2021, Hemonto further increased its investments in Hemonto LAB with focus 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 of the owners of Hemonto to push forward for greater transparency in the financial industry.

In 2022, Hemonto will further increase the investments in both product and market development.

The company's results are considered satisfactory.

Significant Events After the End of the Financial Year

No events have occurred after the end of the financial year of material importance for the company's financial position.

Ken Gamskjær
CEO & Partner

Statement and

Report

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

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 2022

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 2021, 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 2021 and of the results of the Company's operations for the financial year 1 January 31 December 2021 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) together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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.

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 Commentary

Management is responsible for Management Commentary.

Our opinion on the Financial Statements does not cover 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 Management Commentary and, in doing so, consider whether Management Commentary 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 Commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that 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 Management Commentary.

Aarhus, 3 February 2022

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	2021 DKK	2020 DKK
Gross profit		**26.126.449**	**22.238.383**
Staff costs	1	-21.110.650	-17.054.542
Depreciation, amortisation and impairment losses		-454.712	-365.899
Operating profit		**4.561.087**	**4.817.942**
Other financial income	2	123.108	47.027
Other financial costs	3	-81.577	-52.781
Profit before tax		**4.602.618**	**4.812.188**
Tax on profit/loss for the year	4	-462.742	-663.782
Profit for the year		**4.139.876**	**4.148.406**

Proposed distribution of profit

Retained earnings		4.139.876	4.148.406
Total		**4.139.876**	**4.148.406**

Balance Sheet at 31 December

Assets	Note	2021	2020
		DKK	DKK
Development projects, in progress		18.480.580	5.996.523
Software		0	2.420
Intangible assets	**5**	**18.480.580**	**5.998.943**
Other plant and operating equipment		15.999	17.032
Property, plant and equipment	**6**	**15.999**	**17.032**
Rent deposit		685.026	661.366
Financial noncurrent assets	**7**	**685.026**	**661.366**
Non-current assets		**19.181.605**	**6.677.341**
Trade receivables		675.562	821.385
Contract work in progress		106.769	487.399
Receivables from group enterprises		4.856.178	3.396.557
Other receivables		1.000.000	0
Prepayments and accrued income		145.860	286.048
Receivables		**6.784.369**	**4.991.389**
Cash and cash equivalents		**23.091.511**	**5.888.620**
Currenet assets		**29.875.880**	**10.880.009**
Assets		**49.057.485**	**17.557.350**

Equity and liabilities	Note	2021	2020
		DKK	DKK
Share capital		2.500.000	2.500.000
Reserves for development projects		14.414.852	4.677.288
Retained profit		-4.444.775	1.152.913
Equity		**12.470.077**	**8.330.201**
Provision for deferred tax		1.291.078	720.220
Provisions		**1.291.078**	**720.220**
Holiday pay Commitment		1.446.231	1.501.011
Non-current liabilities	8	**1.446.231**	**1.501.011**
Trade payables		975.919	598.934
Liabilities to group enterprises		20.004.932	0
Other liabilities		10.508.004	5.356.414
Prepayments received from customers		2.361.244	1.050.570
Current liabilities		**33.850.099**	**7.005.918**
Liabilities		**35.296.330**	**8.506.929**
Equity and liabilities		**49.057.485**	**17.557.350**
Contingencies etc.	9		

Equity

	Share capital	Reserves for development projects	Retained profit	Total
Equity at 1 January 2021	2.500.000	4.677.288	1.152.913	8.330.201
Proposed profit allocation			4.139.876	4.139.876
Other legal bindings				
Capitalized development costs		9.737.564	-9.737.564	0
Equity at 31 December 2021	**2.500.000**	**14.414.852**	**-4.444.775**	**12.470.077**

Notes

	2021 DKK	2020 DKK	Note
Staff costs			**1**
Average number of employees	41	35	
Wages and salaries	27.725.976	22.200.694	
Social security costs	284.956	213.982	
Wages related to activated development projects	-6.900.282	-5.360.134	
	21.110.650	**17.054.542**	
Other financial income			**2**
Interest income from group enterprises	123.108	47.027	
	123.108	**47.027**	
Other financial costs			**3**
Interest to group enterprises	4.932	0	
Other interest expenses	76.645	52.781	
	81.577	**52.781**	
Tax on profit/loss for the year			**4**
Adjustment of deferred tax	462.742	663.782	
	462.742	**663.782**	

			Note
Intangible assets			**5**
	Development projects, in progress	**Software**	
Cost at 1 January 2021	6.109.338	1.335.438	
Additions	12.935.317	0	
Cost at 31 December 2021	**19.044.655**	**1.335.438**	
Amortisation at 1 January 2021	112.815	1.333.019	
Amortisation for the year	451.260	2.419	
Amortisation at 31 December 2021	**564.075**	**1.335.438**	
Carrying amount at 31 December 2021	**18.480.580**	**0**	

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

Property, plant and equipment		**6**
	Other plant and operating equipment	
Cost at 1 January 2021	31.499	
Cost at 31 December 2021	**31.499**	
Depreciation and impairment losses at 1 January 2021	14.467	
Depreciation for the year	1.033	
Depreciation and impairment losses at 31 December 2021	**15.500**	
Carrying amount at 31 December 2021	**15.999**	

Note

Financial non-current assets 7

	Rent deposit
Cost at 1 January 2021	661.366
Additions	23.660
Cost at 31 December 2021	**685.026**
Carrying amount at 31 December 2021	**685.026**

Longterm liabilities 8

	31/12 2021 total liabilities	Repayment next year	Debt outstanding after 5 years	31/12 2020 total liabilities
Holiday pay Commitment	1.446.231	0	1.300.000	1.501.011
	1.446.231	**0**	**1.300.000**	**1.501.011**

Contingencies etc. 9

Contingent liabilities
Rents obligation
The Company has entered into lease obligations of a total 866 thousand DKK on 31. December 2021.

Operating lease
The company has signed leases for copiers. The contracts have a remaining maturity of 25 month with a total remaining lease payment of 138 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 North East Group ApS, which serves as management company for the joint taxation.

Accounting Policies

The Annual Report of Hemonto A/S for 2021 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.

The Annual Report is prepared consistently with the accounting principles applied last year.

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 curren¬cies, amortisation of financial assets and liabi¬lities as well as charges and allowances under the tax on account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

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 straight line basis over the expected useful life which is estimated to 3 10 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 straight line 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:

	Useful life	*Residual value*
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.

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.

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 Kystvejen 29 8000 Aarhus C
Bank	Danske Bank Kannikegade 4 6 8000 Aarhus C
Law Firm	DLA PIPER Hack Kampmanns Plads 2 DK 8000 Aarhus C

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