

Mono Solutions ApS

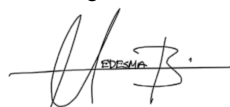
Amagerfælledvej 106
2300 København S
Denmark

CVR no. 30 19 26 48

Annual report 2021

The annual report was presented and approved at
the Company's annual general meeting on

6 July 2022



Chairman of the annual general meeting

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Mono Solutions ApS
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Mono Solutions ApS for the financial year 1 January – 31 December 2021.

The annual report has been prepared 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.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.


We recommend that the annual report be approved at the annual general meeting.

København, 6 July 2022
Executive Board:



Jeppe Alrøe Gammelby

Board of Directors:



Mauricio Ledesma
Barahona
Chairman

Independent auditor's report

To the shareholder of Mono Solutions ApS

Qualified opinion

We have audited the financial statements of Mono Solutions ApS for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, except for the possible effect of the aspect accounted for in the "Basis for qualified opinion" section of our report, 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 in accordance with the Danish Financial Statements Act.

Basis for qualified opinion

In the computation of taxable income for 2021, the Company have applied the option for immediate write-off for research and development costs which results in a 130% tax deduction. The Company has applied DKK 16,826,526 as a basis for the immediate write-off for research and development costs corresponding to an additional taxable deduction of 30% equivalent of DKK 5,047,958. At 31 December 2021, the tax-value of the additional deduction amounts to DKK 1,110,551 which is included in 'Tax on loss for the year' and the 'Receivables from group entities' due to joint taxation. Management has not provided sufficient reasonable evidence that the conditions to apply the immediate write-off for research and development costs are met for the full amount. Accordingly, we have been unable to determine whether any adjustments to the tax value of the additional deduction could have been necessary.

We conducted our audit in accordance with International Standard 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Material uncertainty related to going concern

We draw attention to note 2 to the financial statements, stating that the Company's current liabilities at 31 December 2021 exceed its current assets by DKK 28,466,189. Together with other matters described in note 2, these matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Management's responsibility 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 that 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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.



Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

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

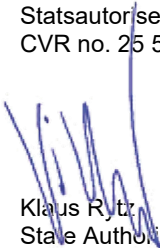
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 6 July 2022

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98



Klaus Rytz
State Authorised
Public Accountant
mne33205

Mono Solutions ApS
Annual report 2021
CVR no. 30 19 26 48

Management's review

Company details

Mono Solutions ApS
Amagerfælledvej 106
2300 København S
Denmark

CVR no.:	30 19 26 48
Established:	1 January 2007
Registered office:	København
Financial year:	1 January – 31 December

Board of Directors

Mauricio Ledesma Barahona, Chairman

Executive Board

Jeppe Alrøe Gammelby

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The Company's main activity is to develop and market software.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK 504,374 as against DKK -11,493,789 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK -28,035,900 as against DKK -28,540,274 at 31 December 2020.

At 31 December 2021 the Company have lost it's contributed capital.

The Company's current liabilities at 31 December 2021 exceed its current assets by DKK 28,466,189. These matters indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Moreover, reference is made to note 2, in which the matter is described in further detail.

Events after the balance sheet date

The Company has been sold in June 2022 and as part hereof the former Parent Company made a capital contribution through debt forgiveness of 22.535.500 kr.

No events have accrued after the balance sheet date which could significantly affect the Company's financial position

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	2020
Gross profit		23,591,685	19,747,393
Staff costs	3	-25,012,745	-35,088,028
Depreciation and impairment losses		-179,318	-286,020
Loss before financial income and expenses		-1,600,378	-15,626,655
Other financial expenses	4	-436,338	-630,143
Loss before tax		-2,036,716	-16,256,798
Tax on loss for the year	5	2,541,090	4,763,009
Profit/loss for the year		504,374	-11,493,789
Proposed profit appropriation/distribution of loss			
Retained earnings		504,374	-11,493,789
		504,374	-11,493,789

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Property, plant and equipment	6		
Fixtures and fittings, tools and equipment		<u>130,280</u>	<u>401,271</u>
Investments	7		
Equity investments in group entities		5,519	5,519
Deposits		<u>738,893</u>	<u>740,063</u>
		<u>744,412</u>	<u>745,582</u>
Total fixed assets		<u>874,692</u>	<u>1,146,853</u>
Current assets			
Receivables			
Trade receivables		4,340,255	2,885,065
Receivables from group entities		4,808,830	3,568,842
Other receivables		591,498	576,641
Deferred tax asset		0	1,821,616
Corporation tax		0	6,055,344
Prepayments		<u>0</u>	<u>86,762</u>
		<u>9,740,583</u>	<u>14,994,270</u>
Cash at bank and in hand		<u>8,692,723</u>	<u>8,414,256</u>
Total current assets		<u>18,433,306</u>	<u>23,408,526</u>
TOTAL ASSETS		<u><u>19,307,998</u></u>	<u><u>24,555,379</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		126,000	126,000
Retained earnings		<u>-28,161,900</u>	<u>-28,666,274</u>
Total equity		<u>-28,035,900</u>	<u>-28,540,274</u>
Liabilities			
Non-current liabilities			
Other payables		<u>444,403</u>	<u>1,879,787</u>
Current liabilities			
Payable to credit institutions		227,524	1,178
Trade payables		1,966,535	663,830
Payables to group entities		33,888,539	33,265,423
Other payables		2,927,199	5,247,678
Deferred income		<u>7,889,698</u>	<u>12,037,757</u>
		<u>46,899,495</u>	<u>51,215,866</u>
Total liabilities		<u>47,343,898</u>	<u>53,095,653</u>
TOTAL EQUITY AND LIABILITIES		<u><u>19,307,998</u></u>	<u><u>24,555,379</u></u>
Material uncertainty related to going concern and capital structure	2		
Contractual obligations and contingent liabilities	8		
Related party disclosures	9		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	126,000	-28,666,274	-28,540,274
Transferred over the distribution of loss	<u>0</u>	<u>504,374</u>	<u>504,374</u>
Equity at 31 December 2021	<u><u>126,000</u></u>	<u><u>-28,161,900</u></u>	<u><u>-28,035,900</u></u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Mono Solutions ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Income from the sale of services is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale.

Other external costs

Other external costs comprise costs for sales, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, excluding reimbursements from public authorities.

Depreciation and impairment losses

The depreciation of property, plant and equipment aim at systematic depreciation over the expected useful lives of the assets. Assets are depreciated according to the straight-line method based on the following expected useful lives and residual values:

Other plant, fixtures and fittings, tools and equipment	3-5 years
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The basis of depreciation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Financial income and expenses

Financial income and expenses comprise interest income and expense and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the loss for the year is recognised in the income statement at the amount attributable to the loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Investments

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, writedown is made to this lower value.

Impairment losses of fixed assets

The carrying amount of property, plant and equipment as well as equity investments in group entities is subject tested for impairment in case of indications other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Liabilities

Short-term payables are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

2 Material uncertainty related to going concern and capital structure

Material uncertainty related to going concern

At 31 December 2021, the current liabilities exceed the current assets by DKK 28,466,189.

Management has made structural changes to the operating- and cost model and has prepared a liquidity forecast for 2022 and 2023. As an effect of the structural changes made, it is Management's opinion that the Company have sufficient liquidity to meet their current and future obligations. Therefore, the financial statements are prepared under the going concern assumption.

Management expects to meet the liquidity forecast although certain assumptions in the forecast are subject to significant uncertainties which indicates material uncertainty to the Company's ability to continue operations.

Capital structure

At 31 December 2021, the Company have lost its contributed capital. In managements opinion, the share capital will be re-established through future earnings and capital contribution through debt forgiveness. The Company has been sold in June 2022 and as part hereof the former Parent Company made a capital contribution through debt forgiveness of 22.535.500 kr.

3 Staff costs

Wages and salaries	24,571,002	34,689,168
Pensions	0	57,600
Other social security costs	441,743	341,260
	<u>25,012,745</u>	<u>35,088,028</u>
Average number of full-time employees	<u>39</u>	<u>52</u>

4 Financial expenses

Interest expense to group entities	325,651	346,554
Other interest expenses	110,687	283,589
	<u>436,338</u>	<u>630,143</u>

5 Tax on loss for the year

Current tax for the year	1,530,030	-873,978
Deferred tax for the year	-1,821,616	-3,889,031
Adjustment of tax concerning previous years	-2,249,504	0
	<u>-2,541,090</u>	<u>-4,763,009</u>

Financial statements 1 January – 31 December

Notes

6 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment	Total
Cost at 1 January 2021	1,893,294	1,893,294
Additions for the year	24,372	24,372
Disposals for the year	-1,608,068	-1,608,068
Cost at 31 December 2021	309,598	309,598
Depreciation and impairment losses at 1 January 2021	-1,492,022	-1,492,022
Depreciation for the year	-179,318	-179,318
Depreciation and impairment losses for the year on assets sold	1,492,022	1,492,022
Depreciation and impairment losses at 31 December 2021	-179,318	-179,318
Carrying amount at 31 December 2021	130,280	130,280

7 Investments

Name	Registered office	Voting rights and ownership interest
Mono Solutions Ltd.	England	100%
Mono Solutions Inc.	USA	100%

8 Contractual obligations and contingent liabilities

Contingent liabilities

The company is taxed jointly with the other Danish companies in the group and is liable for income taxes on a pro rata basis and must comply with any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent.

DKK	2021	2020
Operating lease obligations		
Total contractual obligation	942,057	922,301

Financial statements 1 January – 31 December

Notes

9 Related party disclosures

Mono Solutions ApS' related parties comprise the following:

Control

M.O.M. Holding ApS holds the majority of the contributed capital in the Company.

Mono Solutions ApS was part of the consolidated financial statements of Bauer Two GmbH, Burchardstraße 11 20095 Hamburg, Germany and the consolidated financial statements of Bauer Media Group GmbH, Burchardstraße 11 20095 Hamburg, Germany, which were the smallest and largest group, respectively, in which the Company is included as a subsidiary in 2021 and at 31 December 2021.

The consolidated financial statements of Bauer Two GmbH and the consolidated financial statements of Bauer Media Group GmbH can be obtained by contacting the companies at the addresses above.

In June 2022 M.O.M. Holding ApS and Mono Solutions ApS were sold to Mono Solutions Intermediate, Inc., an affiliate of Ten Oaks Group.