Mono Solutions ApS

Hejrevej 28, 1.
2400 København NV
Denmark

CVR no. 30 19 26 48

Annual report 2019

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

28 May 2020

Kasper Boel Rousøe
chairman

Contents

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 2019.

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

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.

Copenhagen, 28 May 2020
Executive Board:

Merete Louise Lachmann

Rene Hedegaard Petersen

David Westmark Højelsen

Board of Directors:

Stefan Alois Mayer
Chairman

Michael Ulmer

Gerald Mai (May 29, 2020 10:42 GMT+2)
Dr. Gerald Werner Kurt Mai

Veit Dengler

Rene Hedegaard Petersen

Merete Louise Lachmann

David Westmark Højelsen

Independent auditor's report

To the shareholder of Mono Solutions ApS

Opinion

We have audited the financial statements of Mono Solutions ApS for the financial year 1 January – 31 December 2019 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, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

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 rules and requirements.

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

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.

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

Independent auditor's report

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 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, 28 May 2020
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Klaus Rytz
State Authorised
Public Accountant
mne33205

Management's review

Company details

Mono Solutions ApS
Hejrevej 28, 1.
2400 København NV
Denmark

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

Board of Directors

Stefan Alois Mayer, Chairman
Michael Ulmer
Dr. Gerald Werner Kurt Mai
Veit Dengler
Rene Hedegaard Petersen
Merete Louise Lachmann
David Westmark Højelsen

Executive Board

Merete Louise Lachmann
Rene Hedegaard Petersen
David Westmark Højelsen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark

Management's review

Operating review

Principal activities

The company's main acitivity is to develop and market software.

Development in activities and financial position

The income statements for the year shows a loss of DKK 4,243,955 in 2019 compared to profit of DKK 4,729,279 in 2018. As a result of the loss for the year has the share capital been lost. Moreover, reference is made to note 2, in which the matter is described in further detail.

The Company was acquired by Bauer Media Group in 2019.

The loss for the year is considered unsatisfactory and a number of initiatives have been launched to improve future operations and earnings.

The Company have received a letter of support valid until the approval of the annual report for 2020 from the Parent Company, and management assesses that there is no uncertainty about the Company's ability to to continue going concern.

Events after the balance sheet date

In early 2020, an outbreak of the coronavirus COVID-19 have affected large parts of the world. As a result of the outbreak of COVID-19 and the measures taken across the world and in Denmark to limit the spread of the virus, the Company has switched it's operationg to remote working. The demand for the Company's services is only limited affected by the measures taken.
The outbreak of COVID-19 occurred during 2020 and did not exist on the balance sheet date of 31 December 2019. The effect of the virus outbreak is considered a non-regulatory subsequent event and thus does not affect the financial statements for the fiscal year ended 31 December 2019.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2019	2018
Gross profit		17,630,353	19,563,813
Staff costs	3	-17,588,196	-18,511,631
Depreciation, amortisation and impairment losses of property, plant and equipment		-4,244,612	-2,088,436
Operating loss		-4,202,455	-1,036,254
Income from equity investments in group entities		1,321,654	6,370,517
Financial income	4	31,552	109,614
Financial expenses	5	-283,695	-236,667
Result before tax		-3,132,944	5,207,210
Tax on loss for the year	6	-1,111,011	-477,931
Result for the year		-4,243,955	4,729,279

Proposed profit appropriation/distribution of loss

Reserve for development costs		8,009,033	4,926,539
Reserve for net revaluation under equity method		1,941,673	524,288
Retained earnings		-14,194,661	-721,548
		-4,243,955	4,729,279

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2019	2018
ASSETS			
Fixed assets			
Intangible assets	7		
Completed development projects		7,251,435	3,455,464
Development projects in progress		10,036,627	8,305,030
		17,288,062	11,760,494
Property, plant and equipment	8		
Fixtures and fittings, tools and equipment		426,089	454,654
Investments			
Equity investments in group entities	9	2,482,280	529,474
Deposits		703,211	693,200
		3,185,491	1,222,674
Total fixed assets		20,899,642	13,437,822
Current assets			
Receivables			
Trade receivables		3,875,026	3,980,044
Receivables from group entities		622,161	1,661,549
Other receivables		178,614	748,180
Income tax receivable		2,092,577	1,317,158
Prepayments		268,756	107,750
		7,037,134	7,814,681
Cash at bank and in hand		1,285,403	549,380
Total current assets		8,322,537	8,364,061
TOTAL ASSETS		29,222,179	21,801,883

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2019	2018
EQUITY AND LIABILITIES			
Equity			
Share capital		126,000	126,000
Reserve for net revaluation according to the equity method		2,465,668	523,995
Reserve for development costs		13,484,688	8,181,164
Retained earnings		-17,688,665	-6,199,513
Total equity		-1,612,309	2,631,646
Provisions			
Provisions for deferred tax		2,782,000	2,405,936
Total provisions		2,782,000	2,405,936
Liabilities other than provisions			
Current liabilities other than provisions			
Payables to credit institutions		413,249	1,776,535
Deferred income		10,550,902	11,219,793
Trade payables		732,085	580,009
Payables to group entities		13,460,146	108,009
Other payables		2,896,106	3,079,955
		28,052,488	16,764,301
Total liabilities other than provisions		28,052,488	16,764,301
TOTAL EQUITY AND LIABILITIES		29,222,179	21,801,883

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Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Share capital	Revaluation reserve	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2019	126,000	523,995	8,181,164	-6,199,513	2,631,646
Net effect from adjustment to opening balance	0	0	1,278,638	-1,278,638	0
Transferred over the distribution of loss	0	1,941,673	8,009,033	-14,194,661	-4,243,955
Transfer from development projects	0	0	-3,984,147	3,984,147	0
Equity at 31 December 2019	126,000	2,465,668	13,484,688	-17,688,665	-1,612,309

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Mono Solutions ApS for 2019 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.

Income statement

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 and changes to inventory of goods for resale.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

Other external costs

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

Staff costs

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

Depreciation, amortisation and impairment losses

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

Completed development projects	3-5 years
Acquired rights	5 years
Other plant, fixtures and fittings, tools and equipment	3-5 years

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

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

Income from equity investments in group entreprises

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the income statement after full elimination of intra-group gains/losses.

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.

Financial statements 1 January – 31 December

Notes

1 **Accounting policies (continued)**

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

Intangible assets

Development projects and development projects in progress

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses as well development costs. Other development costs are recognised in the income statement as incurred.

Development costs recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Upon completion of development work, development costs are amortised on a straight-line basis over the estimated useful lives.

Acquired rights

Aquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the ‘Depreciation, amortisation and impairment losses’ section.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

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.

Equity investments in group entities

Equity investments in group entities are measured using the equity method. The share of the entity's profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value

Net revaluation of equity investments in group entities is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost.

Impairment losses of fixed assets

The carrying amount of intangible assets and 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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash at bank and in hand

Cash includes deposits in bank accounts as well as operating cash.

Equity

Reserve for development costs

The reserve for development costs comprises capitalised development costs. The reserve cannot be used for dividend, distribution or to cover losses. If the recognised development costs are sold or in other ways excluded from the Company's operations, the reserve will be dissolved and transferred directly to the distributable reserves under equity. If the recognised development costs are written down, the part of the reserve corresponding to the write-down of the developments costs will be reversed. If a write-down of development costs is subsequently reversed, the reserve will be re-established. The reserve is reduced by amortisation of capitalised development costs on an ongoing basis.

Net revaluation reserve according to the equity method

Net revaluation reserve according to the equity method comprises net revaluation of equity investments in subsidiaries and associates in proportion to cost.

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.

Liabilities other than provisions

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Financial statements 1 January – 31 December

Notes

2 Capital structure

At 31 December 2019 the Company have lost it's share capital. In managements opinion, the share capital will be re-established through future earnings.

The Company has received an irrevocable and unconditionally letter of support from the ultimate Parent Company to provide sufficient liquidity, so that the Company, at any time, has sufficient liquidity to meet its current and future liabilities as they fall due. The letter of support is valid until the general assembly in 2021 where the financial statements for 2020 is approved.

DKK	2019	2018

3 Staff costs

Wages and salaries	16,310,838	17,219,374
Other social security costs	333,844	255,282
Other staff costs	943,514	1,036,975
	17,588,196	18,511,631
Average number of full-time employees	42	46

4 Financial income

Interest income from group entities	30,142	90,805
Other interest income	1,410	18,809
	31,552	109,614

5 Financial expenses

Interest expense to group entities	54,310	4,563
Other interest expenses	64,362	16,614
Other financial expenses	0	60,460
Exchange losses	165,023	155,030
	283,695	236,667

6 Tax on profit/loss for the year

Deferred tax for the year	376,064	477,931
Adjustment of deferred tax concerning previous year	734,947	0
	1,111,011	477,931

Financial statements 1 January – 31 December

Notes

7 Intangible assets

DKK	Completed development projects	Development projects in progress
Cost at 1 January 2019	8,063,237	8,305,030
Additions for the year	0	10,267,991
Disposals for the year	0	-756,276
Transfers for the year	7,780,118	-7,780,118
Cost at 31 December 2019	15,843,355	10,036,627
Amortisation and impairment losses at 1 January 2019	-4,607,773	0
Impairment losses for the year	-937,159	0
Amortisation for the year	-3,046,988	0
Amortisation and impairment losses at 31 December 2019	-8,591,920	0
Carrying amount at 31 December 2019	7,251,435	10,036,627

8 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment
Cost at 1 January 2019	1,400,191
Additions for the year	231,900
Cost at 31 December 2019	1,632,091
Depreciation and impairment losses at 1 January 2019	-945,537
Depreciation for the year	-260,465
Depreciation and impairment losses at 31 December 2019	-1,206,002
Carrying amount at 31 December 2019	426,089

Financial statements 1 January – 31 December

Notes

9 Investments

DKK	Equity investments in group entities
Cost at 1 January 2019	5,519
Additions for the year	0
Cost at 31 December 2019	5,519
Revaluations at 1 January 2019	523,955
Exchange adjustment	11,093
Revaluations for the year	1,941,713
Revaluations 31 December 2019	2,476,761
Carrying amount at 31 December 2019	2,482,280

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

Financial statements 1 January – 31 December

Notes

10 Contractual obligations, contingencies, etc.

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	2019	2018
Operating lease obligations		
Total contingent liabilities	1,870,528	8,742,024

11 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 is part of the consolidated financial statements of Bauer Two GmbH, Hamburg, and the consolidated financial statements of Bauer Media Group GmbH, Hamburg, registered office, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

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.