

# Mono Solutions ApS

Hejrevej 28, 1.  
2400 København NV  
Denmark

CVR no. 30 19 26 48

## Annual report 2020

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

29 June 2021

Thomas Gylling Loft  
chairman



## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 January – 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

## 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 2020.

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 2020 and of the results of the Company's operations for the financial year 1 January – 31 December 2020.

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, 29 June 2021

Executive Board:



\_\_\_\_\_  
Jeppe Alrøe Gammelby



\_\_\_\_\_  
David Westmark Højelsen

Board of Directors:



\_\_\_\_\_  
Thomas Gylling Loft  
Chairman



\_\_\_\_\_  
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 2020 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 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 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 involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

## Independent auditor's report

- 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, 29 June 2021

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



Klaus Rytz  
State Authorised  
Public Accountant  
mne33205

**Mono Solutions ApS**  
Annual report 2020  
CVR no. 30 19 26 48

## Management's review

### Company details

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

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

### Board of Directors

Thomas Gylling Loft, Chairman  
David Westmark Højelsen

### Executive Board

Jeppe Alrøe Gammelby  
David Westmark Højelsen

### Auditor

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen  
Denmark

## 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 2020 shows a loss of DKK 11,493,789 compared to DKK 9,881,593 in 2019. Equity in the Company's balance sheet at 31 December 2020 was negative DKK 28,540,274 compared to negative DKK 17,046,485 at 31 December 2019.

The loss for the year is unsatisfactory. The result for the year is a consequence of increased personnel expenses compared to previous years as management had expected further increase in sales than realized.

COVID-19 have only had a limited effect on the result for the year as the Company operates within an industry which in general have been positively effected by the increased digitalization arising from the COVID-19 crisis.

The Company have during the year changed its accounting policies. The changes have been made to align with accounting policies with those applied in the Heinrich Bauer Verlag Group of which the Company was acquired in July 2019.

Moreover, reference is made to note 1, in which the matter is described in further detail.

At 31 December 2020 the Company have lost it's contributed capital.

The Company have received a letter of comfort valid until until the earlier of (i) the Company no longer being an Affiliate of Bauer SME Services GmbH or (ii) the approval of the annual report for 2021 from Bauer SME Services GmbH, a group entity. Management assess that there is no uncertainty about the Company's ability to continue going concern.

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

#### Events after the balance sheet date

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	2020	2019
<b>Gross profit</b>		20,439,567	17,630,353
Staff costs	3	-35,780,202	-27,029,875
Depreciation and impairment losses		<u>-286,020</u>	<u>-260,928</u>
<b>Loss before financial income and expenses</b>		-15,626,655	-9,660,450
Financial income	4	0	31,552
Financial expenses	5	<u>-630,143</u>	<u>-283,695</u>
<b>Loss before tax</b>		-16,256,798	-9,912,593
Tax on loss for the year	6	<u>4,763,009</u>	<u>31,000</u>
<b>Loss for the year</b>		<u>-11,493,789</u>	<u>-9,881,593</u>
<b>Proposed distribution of loss</b>			
Retained earnings		<u>-11,493,789</u>	<u>-9,881,593</u>
		<u>-11,493,789</u>	<u>-9,881,593</u>



## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2020	31/12 2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	7		
Fixtures and fittings, tools and equipment		<u>401,271</u>	<u>426,089</u>
<b>Investments</b>	8		
Equity investments in group entities		5,519	5,519
Deposits		<u>740,063</u>	<u>703,211</u>
		<u>745,582</u>	<u>708,730</u>
<b>Total fixed assets</b>		<u>1,146,853</u>	<u>1,134,819</u>
<b>Current assets</b>			
<b>Receivables</b>			
Trade receivables		2,885,065	3,875,026
Receivables from group entities		3,568,842	1,223,171
Other receivables		576,641	178,614
Deferred tax asset		1,821,616	947,638
Corporation tax		6,055,344	2,092,577
Prepayments		<u>86,762</u>	<u>268,756</u>
		<u>14,994,270</u>	<u>8,585,782</u>
<b>Cash at bank and in hand</b>		<u>8,414,256</u>	<u>1,285,403</u>
<b>Total current assets</b>		<u>23,408,526</u>	<u>9,871,185</u>
<b>TOTAL ASSETS</b>		<u><u>24,555,379</u></u>	<u><u>11,006,004</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2020	31/12 2019
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		126,000	126,000
Retained earnings		<u>-28,666,274</u>	<u>-17,172,485</u>
<b>Total equity</b>		<u>-28,540,274</u>	<u>-17,046,485</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other payables		<u>1,879,787</u>	<u>840,984</u>
<b>Current liabilities</b>			
Payable to credit institutions		1,178	413,249
Deferred income		12,037,757	10,550,902
Trade payables		663,830	732,085
Payables to group entities		33,265,423	13,460,146
Other payables		<u>5,247,678</u>	<u>2,055,123</u>
		<u>51,215,866</u>	<u>27,211,505</u>
<b>Total liabilities</b>		<u>53,095,653</u>	<u>28,052,489</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>24,555,379</u></u>	<u><u>11,006,004</u></u>
<b>Capital structure</b>	2		
<b>Contractual obligations and contingent liabilities</b>	9		
<b>Related party disclosures</b>	10		

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2020	126,000	-17,172,485	-17,046,485
Transferred over the distribution of loss	<u>0</u>	<u>-11,493,789</u>	<u>-11,493,789</u>
<b>Equity at 31 December 2020</b>	<u>126,000</u>	<u>-28,666,274</u>	<u>-28,540,274</u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of Mono Solutions ApS for 2020 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.

#### Omission of consolidated financial statements

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

#### Change in accounting policies

The accounting policies used in the preparation of the financial statements are consistent with those applied last year, except for the following changes made to align with accounting policies with those applied in the Heinrich Bauer Verlag Group of which the Company was acquired in July 2019:

##### *Measurement of equity investments in group entities:*

The Company have changed its accounting policies over measurement of investments in group entities from using the equity method to measurement at cost.

##### *Capitalisation of development projects:*

The Company have previously capitalised cost of development projects and recognised these as intangible development assets. With the change in accounting policy cost to development projects is recognised in the income statements as occurred.

The effect from restatement of the comparative figures for 2019 can be specified as follows:

Income statement:

Staff costs have been adjusted with -9.441.679 DKK from -17.588.196 DKK in the annual report 2019 to -27.029.875 DKK.

Depreciation and impairment losses have been adjusted with 3.983.684 DKK from -4.244.612 DKK in the annual report 2019 to -260.928 DKK.

Loss before financial income and expenses have been adjusted with -5.457.995 DKK from -4.202.455 DKK in the annual report 2019 to -9.660.450 DKK.

Income from equity investments in group entities have been adjusted with -1.321.654 DKK from 1.321.654 DKK in the annual report 2019 to 0 DKK.

Loss before tax have been adjusted with -6.779.649 DKK from -3.132.944 DKK in the annual report 2019 to -9.912.593 DKK.

Tax on loss for the year have been adjusted with 1.142.011 DKK from -1.111.011 DKK in the annual report 2019 to 31.000 DKK.

Loss for the year have been adjusted with -5.637.638 DKK from -4.243.955 DKK in the annual report 2019 to -9.881.593 DKK.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Assets:

Completed development projects have been adjusted with -7.251.435 DKK from 7.251.435 DKK in the annual report 2019 to 0 DKK.

Development projects in progress have been adjusted with -10.036.627 DKK from 10.036.627 DKK in the annual report 2019 to 0 DKK.

Equity investments in group entities have been adjusted with -2.476.761 DKK from 2.482.280 DKK in the annual report 2019 to 5.519 DKK.

Receivables from group entities have been adjusted with 601.010 DKK from 622.161 DKK in the annual report 2019 to 1.223.171 DKK.

Deferred tax assets have been adjusted with 947.638 DKK from DKK in the annual report 2019 to 947.638 DKK.

##### Liabilities:

Reserve for net revaluation according to the equity method have been adjusted with -2.465.668 DKK from 2.465.668 DKK in the annual report 2019 to 0 DKK.

Reserve for development costs have been adjusted with -13.484.688 DKK from 13.484.688 DKK in the annual report 2019 to 0 DKK.

Retained earnings have been adjusted with -10.977.609 DKK from -17.688.665 DKK in the annual report 2019 to -28.666.274 DKK.

Provision for deferred tax have been adjusted with -2.782.000 DKK from 2.782.000 DKK in the annual report 2019 to 0 DKK.

In Managements opinion the changes gives a more true and fair view of the Company's activities.

Comparative figures have been restated.

#### 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.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

###### Other external costs

Other external costs comprise costs for sales, 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 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 statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### 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.

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 and associates 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.

## **Financial statements 1 January – 31 December**

### **Notes**

#### **1 Accounting policies (continued)**

##### **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.

##### **Liabilities**

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 2020 the Company have lost its contributed capital. In managements opinion, the share capital will be re-established through future earnings.

The Company has received a letter of comfort from Bauer SME Services GmbH that states irrevocable and unconditionally that it is Bauer SME Services GmbH's business policy to maintain the creditworthiness of enterprises which, in relation to each other, are either majority held and majority holding enterprises, controlled and controlling enterprises, group enterprises, enterprises with cross-shareholdings or parties to an enterprise agreement ("Affiliates") and to provide sufficient liquidity for Affiliates to meet its current and future liabilities as they fall due. The letter of comfort is valid until the earlier of (i) the Company no longer being an Affiliate of Bauer SME Services GmbH or (ii) the approval of the annual report for 2021 from Bauer SME Services GmbH.

DKK	<u>2020</u>	<u>2019</u>
<b>3 Staff costs</b>		
Wages and salaries	34,689,168	25,752,517
Pensions	57,600	0
Other social security costs	341,260	333,844
Other staff costs	<u>692,174</u>	<u>943,514</u>
	<u><u>35,780,202</u></u>	<u><u>27,029,875</u></u>
Average number of full-time employees	<u><u>52</u></u>	<u><u>42</u></u>
<b>4 Financial income</b>		
Interest income from group entities	0	30,142
Other interest income	<u>0</u>	<u>1,410</u>
	<u><u>0</u></u>	<u><u>31,552</u></u>
<b>5 Financial expenses</b>		
Interest expense to group entities	346,554	54,310
Other interest expenses	<u>283,589</u>	<u>229,385</u>
	<u><u>630,143</u></u>	<u><u>283,695</u></u>
<b>6 Tax on loss for the year</b>		
Current tax for the year	-873,978	0
Deferred tax for the year	<u>-3,889,031</u>	<u>-31,000</u>
	<u><u>-4,763,009</u></u>	<u><u>-31,000</u></u>

## Financial statements 1 January – 31 December

### Notes

#### 7 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment
Cost at 1 January 2020	1,632,092
Additions for the year	<u>261,202</u>
Cost at 31 December 2020	<u>1,893,294</u>
Depreciations and impairment losses at 1 January 2020	-1,206,002
Depreciations for the year	<u>-286,020</u>
Depreciation and impairment losses at 31 December 2020	<u>-1,492,022</u>
<b>Carrying amount at 31 December 2020</b>	<b><u>401,272</u></b>

#### 8 Investments

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

#### 9 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	<u>2020</u>	<u>2019</u>
<b>Operating lease obligations</b>		
Total contractual obligation	922,301	1,870,528

## **Financial statements 1 January – 31 December**

### **Notes**

#### **10 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, Burchardstraße 11 20095 Hamburg, Germany and the consolidated financial statements of Bauer Media Group GmbH, Burchardstraße 11 20095 Hamburg, Germany, 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.