

Enreach Campaigns A/S

Tobaksvejen 25,2. th.
DK-2860 Søborg

CVR no. 31 07 31 03

Annual report 2021

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

7 July 2022

Martijn Nicolaas Albertus van der Pas
Chairman of the annual general meeting

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Enreach Campaigns A/S
Annual report 2021
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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 Enreach Campaigns A/S 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.

Søborg, 7 July 2022
Executive Board:

Casper Langhoff
CEO

Board of Directors:

Stijn Nijhuis
Chairman

Martijn Nicolaas Albertus
van der Pas

Casper Langhoff

Independent auditor's report

To the shareholders of Enreach Campaigns A/S

Opinion

We have audited the financial statements of Enreach Campaigns A/S 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, 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 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' 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 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.

Aarhus, 7 July 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Mikkel Trabjerg Knudsen
State Authorised
Public Accountant
mne34459

Michael E. K. Rasmussen
State Authorised
Public Accountant
mne41364

Enreach Campaigns A/S
Annual report 2021
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Management's review

Company details

Enreach Campaigns A/S
Tobaksvejen 25,2. th.
DK-2860 Søborg

CVR no.: 31 07 31 03
Financial year: 1 January – 31 December

Board of Directors

Stijn Nijhuis, Chairman
Martijn Nicolaas Albertus van der Pas
Casper Langhoff

Executive Board

Casper Langhoff, CEO

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Frederiks Plads 42
DK-8000 Aarhus C
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The Company's principal activity is to sell subscriptions for software and other related business.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK 7,939,272 as against DKK 1,886,288 in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 24,123,305 as against DKK 16,184,033 at 31 December 2020.

The result for 2021 is negatively impacted by managements fee of DKK 1,138,521 in 2020 the managements fee was DKK 0.

The financial year was in line with forecast, and results for the year are considered satisfactory.

Events after the balance sheet date

No events have occurred after the financial year end that significantly affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2021	2020
Gross profit		30,434,684	24,596,068
Staff costs	2	-13,681,959	-12,606,229
Depreciation, amortisation and impairment losses		-5,948,025	-5,649,513
Other operating costs		0	-2,394,292
Profit before financial income and expenses		10,804,700	3,946,034
Income from equity investments in group entities		50,017	0
Other financial income		200	400
Other financial expenses	3	-815,492	-1,588,963
Profit before tax		10,039,425	2,357,471
Tax on profit for the year	4	-2,100,153	-471,183
Profit for the year		7,939,272	1,886,288
Proposed profit appropriation			
Revaluation reserve		1,084,634	1,186,232
Proposed dividends for the year		10,000,000	0
Retained earnings		-3,145,362	700,056
		7,939,272	1,886,288

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Intangible assets	5		
Completed development projects		14,535,183	14,285,980
Acquired patents and licenses		5,587,137	6,165,791
Goodwill		8,258,509	9,288,978
Development projects in progress		<u>1,141,354</u>	<u>0</u>
		<u>29,522,183</u>	<u>29,740,749</u>
Property, plant and equipment	6		
Fixtures and fittings, tools and equipment		<u>35,971</u>	<u>0</u>
Investments	7		
Equity investments in group entities		11,264,865	11,267,269
Deposits		<u>60,337</u>	<u>56,863</u>
		<u>11,325,202</u>	<u>11,324,132</u>
Total fixed assets		<u>40,883,356</u>	<u>41,064,881</u>
Current assets			
Receivables			
Trade receivables		3,575,468	3,154,202
Receivables from group entities		2,020,849	0
Prepayments		<u>254,189</u>	<u>239,926</u>
		<u>5,850,506</u>	<u>3,394,128</u>
Cash at bank and in hand		<u>1,834,219</u>	<u>3,567,233</u>
Total current assets		<u>7,684,725</u>	<u>6,961,361</u>
TOTAL ASSETS		<u><u>48,568,081</u></u>	<u><u>48,026,242</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		1,190,825	1,190,825
Reserve for development costs		12,227,700	11,143,066
Retained earnings		704,780	3,850,142
Proposed dividends for the financial year		10,000,000	0
Total equity		<u>24,123,305</u>	<u>16,184,033</u>
Provisions			
Provisions for deferred tax		4,528,465	4,343,454
Total provisions		<u>4,528,465</u>	<u>4,343,454</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Payables to group entities	8	7,972,339	11,972,339
Current liabilities other than provisions			
Current portion of non-current liabilities		0	2,000,000
Prepayments received from customers		404,016	859,958
Trade payables		612,289	815,871
Payables to group entities		4,813,985	4,580,023
Corporation tax		1,879,172	375,430
Other payables		4,234,510	6,895,134
		<u>11,943,972</u>	<u>15,526,416</u>
Total liabilities other than provisions		<u>19,916,311</u>	<u>27,498,755</u>
TOTAL EQUITY AND LIABILITIES		<u><u>48,568,081</u></u>	<u><u>48,026,242</u></u>
Contractual obligations, contingencies, etc.	9		
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Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Reserve of development costs	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2021	1,190,825	11,143,066	3,850,142	0	16,184,033
Transferred over the profit appropriation	<u>0</u>	<u>1,084,634</u>	<u>-3,145,362</u>	<u>10,000,000</u>	<u>7,939,272</u>
Equity at 31 December 2021	<u><u>1,190,825</u></u>	<u><u>12,227,700</u></u>	<u><u>704,780</u></u>	<u><u>10,000,000</u></u>	<u><u>24,123,305</u></u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Enreach Campaigns A/S 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.

Consolidated financial statements

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

Business combinations

When acquiring new entities, the purchase method is applied under which identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquirer at the acquisition date that are not a part of the acquisition are included in the pre-acquisition balance sheet and thus the determination of goodwill. Restructuring that is adopted after the acquisition is recognised in the income statement. The tax effect of revaluations is recognised as deferred tax.

Positive differences (goodwill) between cost and the fair value of identifiable assets and liabilities acquired, including restructuring provisions, are recognised as intangible assets and amortised systematically in the income statement based on an individual assessment of the useful life. Negative goodwill is recognised as income in the income statement at the acquisition date when the usual conditions for recognition of income are met.

Goodwill and negative goodwill from acquired entities may be adjusted until 12 months after the acquisition date.

Newly acquired or newly established entities are recognised in the consolidated financial statements at the date of acquisition or establishment. Divested or wound-up entities are recognised in the consolidated income statement up to the date of divestment or winding-up. Comparative figures are not restated to reflect acquisitions, divestments or windings-up.

The uniting-of-interests method is applied to business combinations such as the acquisition and disposal of equity investments, mergers, demergers, contribution of assets, share exchanges, etc., between entities controlled by the Parent Company. The uniting of interests is considered to have been completed at the date of the acquisition without restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquired entity is recognised in equity.

Gains or losses on the divestment of subsidiaries and associates are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including non-amortised goodwill and projected costs of divestment or winding-up.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Income statement

Revenue

Revenue from the sale of services is recognised as revenue as the services are provided.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties.

Gross profit/loss

Gross profit or loss comprises revenue, other operating income, direct costs and other external costs. These are aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other external costs

Other external costs comprise costs related to sales, administration, office premises, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc. to the Company's employees, excluding reimbursements from public authorities.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables 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 profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Balance sheet

Intangible assets

Intangible assets comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intangible assets rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Development projects

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

Patents, licences and trademarks

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 13 years.

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. The maximum amortisation period is 14 years.

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Property plant and equipment	4 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Investments

Equity investments in group entities and participating interests (including associates) are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Other receivables and deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment 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.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less write-downs for bad and doubtful debts.

Prepayments

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

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

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.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

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 based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

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.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers include amounts received from customers prior to the time of delivery.

DKK	<u>2021</u>	<u>2020</u>
2 Staff costs		
Average number of full-time employees	<u>21</u>	<u>18</u>
3 Other financial expenses		
Interest expense to group entities	823,887	337,066
Other financial expenses	47,204	1,008,094
Exchange adjustment costs	<u>-55,599</u>	<u>243,803</u>
	<u>815,492</u>	<u>1,588,963</u>
4 Tax on profit for the year		
Current tax for the year	1,879,172	411,416
Deferred tax for the year	185,012	24,634
Adjustment of deferred tax concerning previous years	<u>35,969</u>	<u>35,133</u>
	<u>2,100,153</u>	<u>471,183</u>

Financial statements 1 January – 31 December

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5 Intangible assets

DKK	Completed development projects	Acquired patents and license	Goodwill	Ongoing development projects	Total
Cost at 1 January 2021	37,259,046	7,308,218	14,426,567	0	58,993,831
Additions for the year	0	0	0	5,729,459	5,729,459
Transfers for the year	<u>4,588,105</u>	<u>0</u>	<u>0</u>	<u>-4,588,105</u>	<u>0</u>
Cost at 31 December 2021	<u>41,847,151</u>	<u>7,308,218</u>	<u>14,426,567</u>	<u>1,141,354</u>	<u>64,723,290</u>
Amortisation and impairment losses at 1 January 2021	-22,973,066	-1,142,427	-5,137,589	0	-29,253,082
Amortisation for the year	<u>-4,338,902</u>	<u>-578,654</u>	<u>-1,030,469</u>	<u>0</u>	<u>-5,948,025</u>
Amortisation and impairment losses at 31 December 2021	<u>-27,311,968</u>	<u>-1,721,081</u>	<u>-6,168,058</u>	<u>0</u>	<u>-35,201,107</u>
Carrying amount at 31 December 2021	<u><u>14,535,183</u></u>	<u><u>5,587,137</u></u>	<u><u>8,258,509</u></u>	<u><u>1,141,354</u></u>	<u><u>29,522,183</u></u>

Completed development projects

Completed development projects relate to the development of software. The project was Hero Inbound, functions in Hero Outbound and Hero Flows. The systems are used externally and have brought value to the customers.

6 Property, plant and equipment

DKK	Fixtures and fittings, tools and equipment
Cost at 1 January 2021	2,002,843
Additions for the year	<u>35,971</u>
Cost at 31 December 2021	<u>2,038,814</u>
Change in intercompany profit on inventories	<u>-2,002,843</u>
Depreciation and impairment losses at 31 December 2021	<u>-2,002,843</u>
Carrying amount at 31 December 2021	<u><u>35,971</u></u>

Financial statements 1 January – 31 December

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7 Investments

	Equity investments in group entities
DKK	
Cost at 1 January 2021	11,267,269
Disposals for the year	<u>-2,404</u>
Cost at 31 December 2021	11,264,865
Carrying amount at 31 December 2021	<u>11,264,865</u>
	Deposits
DKK	
Cost at 1 January 2021	56,853
Additions for the year	<u>3,484</u>
Cost at 31 December 2021	60,337
Carrying amount at 31 December 2021	<u>60,337</u>

Name	Registered office	Voting rights and ownership interest
HeroBase Sweden AB	Sweden	100%

8 Non-current liabilities other than provisions

DKK	31/12 2021	31/12 2020
Liabilities other than provisions can be specified as follows:		
0-1 years	0	2,000,000
1-5 years	0	8,000,000
>5 years	<u>7,972,339</u>	<u>3,972,339</u>
Total liabilities other than provisions	<u>7,972,339</u>	<u>13,972,339</u>
Payables to group entities	<u>7,972,338</u>	<u>13,972,339</u>
Total	<u>7,972,338</u>	<u>13,972,339</u>

Financial statements 1 January – 31 December

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9 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company participates in a Danish joint taxation scheme where Enreach Nordics ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable for income taxes, etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for the jointly taxed entities.

10 Mortgages and collateral

The following assets have been provided as collateral for bank debt (company charge):

Fixtures and fittings, tools and equipment, goodwill and receivables.

At the balance sheet date, collateral amounts to a maximum of DKK 10,500 thousand.

11 Related party disclosures

Enreach Campaigns A/S' related parties comprise the following:

Control

Enreach Nordics ApS, Gråsten, Denmark is the main shareholder.

Enreach Nordics ApS holds the majority of the contributed capital in the Company.

Enreach Campaigns A/S is part of the consolidated financial statements of Enreach Nordics ApS, Nygade 17, 6300 Gråsten, Denmark, which is the smallest and largest group, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of Enreach Nordics ApS. can be obtained by contacting the company at the address above.