

Gigahost ApS
Gammeltorv 8, 2.
1457 København K
Business Registration No
31154715

Annual report 2018

The Annual General Meeting adopted the annual report on 17.06.2019

Chairman of the General Meeting

Name: Bill Ebbesen

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Entity details

Entity

Gigahost ApS
Gammeltorv 8, 2.
1457 København K

Central Business Registration No (CVR): 31154715

Registered in: København

Financial year: 01.01.2018 - 31.12.2018

Executive Board

Christian Ole Angelo Flintrup
Bill Ebbesen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Gigahost ApS for the financial year 01.01.2018 - 31.12.2018.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We consider the preconditions for not auditing the financial statements for the financial year 01.01.2018 - 31.12.2018 as complied with.

We recommend the annual report for adoption at the Annual General Meeting.

København, 17.06.2019

Executive Board

Christian Ole Angelo Flintrup Bill Ebbesen

The independent auditor's review report on the financial statements

To the shareholders of Gigahost ApS

We have reviewed the financial statements of Gigahost ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies.

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 as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with the International Standard on Engagements to Review Historical Financial Statements and additional requirements under Danish audit regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with the International Standard on Engagements to Review Historical Financial Statements is a limited assurance engagement. The auditor performs procedures primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

København, 17.06.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Morten Speitzer
State Authorised Public Accountant
Identification No (MNE) mne10057

Management commentary

Primary activities

The Company's primary activity is to conduct IT-service business.

Development in activities and finances

In 2018 the Company has experienced ordinary operation. The result for 2018 is considered satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018

| | <u>Notes</u> | <u>2018 DKK</u> | <u>2017 DKK</u> |
|--|--------------|-----------------------|-----------------------|
| Gross profit | | 2.072.507 | 2.685.129 |
| Staff costs | 1 | (1.343.795) | (1.657.584) |
| Depreciation, amortisation and impairment losses | 2 | <u>(208.383)</u> | <u>(299.961)</u> |
| Operating profit/loss | | 520.329 | 727.584 |
| Other financial income | 3 | 43.940 | 0 |
| Other financial expenses | 4 | <u>(21.903)</u> | <u>(24.128)</u> |
| Profit/loss before tax | | 542.366 | 703.456 |
| Tax on profit/loss for the year | 5 | <u>(110.640)</u> | <u>(154.412)</u> |
| Profit/loss for the year | | <u>431.726</u> | <u>549.044</u> |
| Proposed distribution of profit/loss | | | |
| Retained earnings | | <u>431.726</u> | <u>549.044</u> |
| | | <u>431.726</u> | <u>549.044</u> |

Balance sheet at 31.12.2018

| | <u>Notes</u> | <u>2018 DKK</u> | <u>2017 DKK</u> |
|--|--------------|-------------------------|-------------------------|
| Other fixtures and fittings, tools and equipment | | 92.677 | 156.637 |
| Leasehold improvements | | 37.135 | 177.994 |
| Property, plant and equipment | 6 | <u>129.812</u> | <u>334.631</u> |
| Other receivables | | 1.540.044 | 173.508 |
| Fixed asset investments | 7 | <u>1.540.044</u> | <u>173.508</u> |
| Fixed assets | | <u>1.669.856</u> | <u>508.139</u> |
| Trade receivables | | 272.227 | 371.003 |
| Deferred tax | | 81.245 | 64.375 |
| Other receivables | | 31.600 | 802.853 |
| Receivables | | <u>385.072</u> | <u>1.238.231</u> |
| Cash | | <u>24.410</u> | <u>118.026</u> |
| Current assets | | <u>409.482</u> | <u>1.356.257</u> |
| Assets | | <u>2.079.338</u> | <u>1.864.396</u> |

Balance sheet at 31.12.2018

| | <u>Notes</u> | <u>2018 DKK</u> | <u>2017 DKK</u> |
|--|--------------|-------------------------|-------------------------|
| Contributed capital | | 150.000 | 150.000 |
| Retained earnings | | <u>965.377</u> | <u>533.651</u> |
| Equity | | <u>1.115.377</u> | <u>683.651</u> |
| Payables to associates | | 354.638 | 556.767 |
| Income tax payable | | 93.968 | 105.775 |
| Other payables | | 501.615 | 518.203 |
| Deferred income | | <u>13.740</u> | <u>0</u> |
| Current liabilities other than provisions | | <u>963.961</u> | <u>1.180.745</u> |
| Liabilities other than provisions | | <u>963.961</u> | <u>1.180.745</u> |
| Equity and liabilities | | <u>2.079.338</u> | <u>1.864.396</u> |
| Unrecognised rental and lease commitments | 8 | | |

Statement of changes in equity for 2018

| | Contributed capital DKK | Retained earnings DKK | Total DKK |
|---------------------------|--|--------------------------------------|----------------------|
| Equity beginning of year | 150.000 | 533.651 | 683.651 |
| Profit/loss for the year | 0 | 431.726 | 431.726 |
| Equity end of year | 150.000 | 965.377 | 1.115.377 |

Notes

| | 2018 | 2017 |
|--|------------------|------------------|
| | DKK | DKK |
| 1. Staff costs | | |
| Wages and salaries | 1.141.130 | 1.445.688 |
| Other social security costs | 19.666 | 23.788 |
| Other staff costs | 182.999 | 188.108 |
| | 1.343.795 | 1.657.584 |
| | | |
| Average number of employees | 3 | 3 |
| | | |
| | 2018 | 2017 |
| | DKK | DKK |
| 2. Depreciation, amortisation and impairment losses | | |
| Depreciation of property, plant and equipment | 208.383 | 299.961 |
| | 208.383 | 299.961 |
| | | |
| | 2018 | 2017 |
| | DKK | DKK |
| 3. Other financial income | | |
| Other interest income | 43.940 | 0 |
| | 43.940 | 0 |
| | | |
| | 2018 | 2017 |
| | DKK | DKK |
| 4. Other financial expenses | | |
| Financial expenses from associates | 17.914 | 22.043 |
| Other interest expenses | 3.989 | 2.085 |
| | 21.903 | 24.128 |
| | | |
| | 2018 | 2017 |
| | DKK | DKK |
| 5. Tax on profit/loss for the year | | |
| Current tax | 121.968 | 145.970 |
| Change in deferred tax | (1.829) | 8.442 |
| Adjustment concerning previous years | (9.499) | 0 |
| | 110.640 | 154.412 |

Notes

| | Other fixtures and fittings, tools and equipment DKK | Leasehold improve- ments DKK |
|--|---|---|
| 6. Property, plant and equipment | | |
| Cost beginning of year | 2.155.702 | 804.659 |
| Additions | 0 | 3.564 |
| Cost end of year | <u>2.155.702</u> | <u>808.223</u> |
| Depreciation and impairment losses beginning of year | (1.999.065) | (626.665) |
| Depreciation for the year | <u>(63.960)</u> | <u>(144.423)</u> |
| Depreciation and impairment losses end of year | <u>(2.063.025)</u> | <u>(771.088)</u> |
| Carrying amount end of year | <u>92.677</u> | <u>37.135</u> |
| 7. Fixed asset investments | | |
| Cost beginning of year | | 173.508 |
| Additions | | <u>1.366.536</u> |
| Cost end of year | | <u>1.540.044</u> |
| Carrying amount end of year | | <u>1.540.044</u> |
| 8. Unrecognised rental and lease commitments | | |
| Liabilities under rental or lease agreements until maturity in total | <u>218.616</u> | <u>213.371</u> |

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of server hosting and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Accounting policies

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

| | |
|--|------------|
| Plant and machinery | 3-10 years |
| Other fixtures and fittings, tools and equipment | 5 years |

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Receivables

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.