

# Vice ApS

Rosenborggade 15, 3. th., 1130 København K

CVR no. 31 27 80 82

## Annual report

for the year 1 January - 31 December 2020

Approved at the Company's annual general meeting on 5 July 2021

Chair of the meeting:



.....  
Holger Simon

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Vice ApS for the financial year 1 January - 31 December 2020.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2020 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Copenhagen, 5 July 2021  
Executive Board:



.....  
Holger Simon  
director

Board of Directors:

  
[Hozefa Lokhandwala \(Jul 6, 2021 08:22 EDT\)](#)

.....  
Hozefa Shabbir  
Lokhandwala



.....  
Holger Simon

## Independent auditor's report

To the shareholders of Vice ApS

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Vice ApS for the financial year 1 January - 31 December 2020, which comprise an income statement, balance sheet, statement of changes in equity, consolidated cash flow statement and notes, including accounting policies, for both the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2020 and of the results of the Group and parent Company's operations as well as the consolidated cash flows 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 consolidated financial statements and the parent Company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken on the basis of these consolidated financial statements and parent company 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 skepticism throughout the audit. We also:

## Independent auditor's report

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent 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 consolidated financial statements and the Parent Company 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 Group's and the Parent 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 consolidated financial statements and the Parent Company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the note disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Independent auditor's report

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 5 July 2021  
Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 96 35 56

  
Gert Rasmussen (Jul 6, 2021 08:35 GMT+2)

Gert Rasmussen  
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## Management's review

### Company details

Name	Vice ApS
Address, Postal code, City	Rosenborggade 15, 3. th., 1130 København K
CVR no.	31 27 80 82
Established	3 January 2008
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Hozefa Shabbir Lokhandwala Holger Simon
Executive Board	Holger Simon, director
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Tværkajen 5, 5000 Odense

## Management's review

### Financial highlights for the Group

DKK'000	2020	2019	2018	2017
<b>Key figures</b>				
Gross profit	12,419	58,754	39,463	45,990
Operating profit/loss	-14,846	11,627	-12,977	-2,440
Net financials	1,057	1,261	-3,178	-510
<b>Profit/loss for the year</b>	<b>-11,287</b>	<b>10,357</b>	<b>-13,048</b>	<b>-2,136</b>
<b>Total assets</b>				
<b>Equity</b>	<b>-12,911</b>	<b>-1,728</b>	<b>-12,055</b>	<b>927</b>
<b>Cash flows</b>				
Cash flows from operating activities	-6,749	23,386	-30,271	-8,785
Amount relating to investments in property, plant and equipment	-149	-331	-2,844	0
Cash flows from financing activities	7,914	-28,630	41,198	3,656
<b>Total cash flows</b>	<b>1,016</b>	<b>-5,575</b>	<b>8,083</b>	<b>-7,158</b>
<b>Financial ratios</b>				
Current ratio	49.0%	89.6%	75.3%	92.4%
Equity ratio	-95.2%	-3.6%	-19.6%	1.6%
<b>Average number of employees</b>	<b>47</b>	<b>73</b>	<b>104</b>	<b>104</b>

For terms and definitions, please see the accounting policies.

First financial period for the group was 2017, hence only 4 years of Financial highlights for the Group.



## Management's review

### Business review

The Company's main activities are to provide services within marketing and advertising Danish market. Further, the Company holds 100% ownership in Vice AS, Norway. Vice AS in Norway is dormant at 31 December 2019.

### Unusual matters having affected the financial statements

#### *Going concern*

At 31 December 2020, the Group's current liabilities exceeds the non-fixed assets. The ultimate parent company, Vice Group Holding Inc., has confirmed that it will continue to provide the necessary financial support in order for the Company to pay its obligations as they fall due.

Further, the ultimate parent company, Vice Group Holding Inc., has confirmed that Vice ApS will not incur any losses on intercompany receivables including financial support for any impairment losses or losses incurred in connection with liquidation of the subsidiary, Vice Norway AS.

On this basis, management has prepared the financial statements under the assumption of the going concern principle.

### Financial review

The income statement for 2020 shows a loss of DKK 11,287 thousand against a profit of DKK 10,357 thousand last year, and the group's balance sheet at 31 December 2020 shows a negative equity of DKK 12,911 thousand. During the year, the Company completed a restructuring of the organisation reducing the total amount of FTEs in order to optimise the capacity costs.

COVID-19 has had no impact on the Company's operations during the financial year.

The Group expects to liquidate Vice Norway during 2021. Management considers the result for the year to be unsatisfactory.

Reason for the unsatisfactory result was less production revenue from main clients. Management expects to re-establish the share capital through own earnings.

### Financial risks

As a result of its operations, investments and financing, the Group is exposed to changes in exchange rates and interest rates.

### Market risks

The management assesses that the Company is not affected by special market risks beyond the common risks in the industry. However, the activity of Vice ApS is dependent on domestic and global economies and development and the resulting impact on our customers' needs.

### Currency risks

Activities abroad mean that profit, cash flows and equity are affected by the development of exchange rates and interest rates for a range of currencies. Vice ApS Group does not have a separate policy on hedging currencies.

### Liquidity risks

The Group's parent company manages the financial risks in the Group centrally and coordinates the Group's liquidity management, including capital generation and investment of excess liquidity. Vice ApS Group is therefore part of the parent company's cash pool agreements

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Management's review

### Outlook

The Company's pre-tax profit for 2021 is expected to be in the range of DKK 5-10 million due to growth in the Danish market, however also taking into consideration the expected financial implications of the COVID-19 pandemic.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Income statement

Note	DKK'000	Group		Parent company	
		2020	2019	2020	2019
	<b>Gross profit</b>	12,419	58,754	9,690	58,995
4	Staff costs	-25,471	-44,117	-25,471	-43,602
5	Depreciation of property, plant and equipment	-1,791	-2,079	-1,791	-2,079
	Other operating expenses	-745	0	-745	0
	<b>Profit/loss before net financials</b>	-15,588	12,558	-18,317	13,314
6	Financial income	1,529	3,374	1,549	3,368
7	Financial expenses	-472	-2,113	-392	-2,096
	<b>Profit/loss before tax</b>	-14,531	13,819	-17,160	14,586
8	Tax for the year	3,244	-3,462	3,244	-3,462
	<b>Profit/loss for the year</b>	-11,287	10,357	-13,916	11,124

**Consolidated financial statements and parent company financial statements 1 January - 31 December**

**Balance sheet**

Note	DKK'000	Group		Parent company	
		2020	2019	2020	2019
	<b>ASSETS</b>				
	Fixed assets				
9	Property, plant and equipment				
	Fixtures and fittings, other plant and equipment	737	2,768	737	2,768
		737	2,768	737	2,768
10	<b>Investments</b>				
	Investments in group enterprises	0	0	25	25
	Deposits, investments	1,028	1,843	1,028	1,843
		1,028	1,843	1,053	1,868
	<b>Total fixed assets</b>	<b>1,765</b>	<b>4,611</b>	<b>1,790</b>	<b>4,636</b>
	<b>Non-fixed assets</b>				
	<b>Receivables</b>				
	Trade receivables	4,192	18,582	4,192	18,582
11	Work in progress	476	1,562	476	1,562
	Receivables from group enterprises	1,749	20,756	1,749	22,762
12	Deferred tax assets	3,423	1,581	3,423	1,451
	Joint taxation contribution receivable	98	0	98	0
	Other receivables	31	77	31	77
13	Prepayments	0	99	0	99
		9,969	42,657	9,969	44,533
	<b>Cash</b>	<b>1,832</b>	<b>816</b>	<b>1,805</b>	<b>794</b>
	<b>Total non-fixed assets</b>	<b>11,801</b>	<b>43,473</b>	<b>11,774</b>	<b>45,327</b>
	<b>TOTAL ASSETS</b>	<b>13,566</b>	<b>48,084</b>	<b>13,564</b>	<b>49,963</b>



## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Statement of changes in equity

		Group			
Note	DKK'000	Share capital	Translation reserve	Retained earnings	Total
	Equity at 1 January 2019	125	0	-12,180	-12,055
	Transfer through appropriation of profit	0	0	10,357	10,357
	Adjustment of investments through foreign exchange adjustments	0	0	-30	-30
	<b>Equity at 1 January 2020</b>	<b>125</b>	<b>0</b>	<b>-1,853</b>	<b>-1,728</b>
	Transfer through appropriation of loss	0	0	-11,287	-11,287
	Adjustment of investments through foreign exchange adjustments	0	104	0	104
	<b>Equity at 31 December 2020</b>	<b>125</b>	<b>104</b>	<b>-13,140</b>	<b>-12,911</b>

		Parent company		
Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2019	125	-10,144	-10,019
19	Transfer, see "Appropriation of profit/loss"	0	11,124	11,124
	<b>Equity at 1 January 2020</b>	<b>125</b>	<b>980</b>	<b>1,105</b>
19	Transfer, see "Appropriation of profit/loss"	0	-13,916	-13,916
	<b>Equity at 31 December 2020</b>	<b>125</b>	<b>-12,936</b>	<b>-12,811</b>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Cash flow statement

Note	DKK'000	Group	
		2020	2019
	Profit/loss for the year	-11,287	10,357
20	Adjustments	808	6,552
	Cash generated from operations (operating activities)	-10,479	16,909
21	Changes in working capital	4,787	7,738
	Cash generated from operations (operating activities)	-5,692	24,647
	Interest received, etc.	-1,529	-3,374
	Interest paid, etc.	472	2,113
	<b>Cash flows from operating activities</b>	<b>-6,749</b>	<b>23,386</b>
	Additions of property, plant and equipment	-149	-331
	<b>Cash flows to investing activities</b>	<b>-149</b>	<b>-331</b>
	Repayments, borrowings from group enterprises	0	-28,630
	Other cash flows from financing activities	7,914	0
	<b>Cash flows from financing activities</b>	<b>7,914</b>	<b>-28,630</b>
	<b>Net cash flow</b>	<b>1,016</b>	<b>-5,575</b>
	Cash and cash equivalents at 1 January	816	6,391
22	<b>Cash and cash equivalents at 31 December</b>	<b>1,832</b>	<b>816</b>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Vice ApS for 2020 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

#### Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

#### Consolidated financial statements

##### *Control*

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

##### *Preparation of consolidated financial statements*

The consolidated financial statements are prepared as a consolidation of the Parent Company's and the individual subsidiaries' financial statements, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

##### *Foreign group entities*

Foreign subsidiaries and associates are considered separate entities. Items in such entities' income statements are translated at an average exchange rate for the month, and balance sheet items are translated at closing rates. Foreign exchange differences arising on translation of the opening equity of foreign subsidiaries to closing rates and on translation of the income statements from average exchange rates to closing rates are taken directly to equity.



## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income statement

###### Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method). This method is used where the total income and expenses and the degree of completion of the contract can be measured reliably.

Where income from a service contract cannot be estimated reliably, contract revenue corresponding to the expenses incurred is recognised only in so far as it is probable that such expenses will be recoverable from the counterparty.

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

###### Other operating income and operating expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

###### Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

###### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

###### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

###### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment      3-5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge 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 been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

##### Investments

Deposits are measured at amortised cost.

##### Leases

The Company has chosen IAS 17 as interpretation for classification and recognition of leases.

On initial recognition, leases for assets that transfer substantially all the risks and rewards incident to the ownership to the Company (finance leases) are measured in the balance sheet at the lower of fair value and the present value of the future lease payments. In calculating the net present value, the interest rate implicit in the lease or the incremental borrowing rate is used as the discount factor. Assets held under finance leases are subsequently accounted for in the same way as the Company's other assets.

The capitalised residual lease liability is recognised in the balance sheet as a liability, and the interest element of the lease payment is recognised in the income statement over the term of the lease.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

#### Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

Gains or losses on disposal of subsidiaries and associates are made up as the difference between the sales price and the carrying amount of net assets at the date of disposal including non-amortised goodwill and anticipated costs of disposal. Gains or losses are recognised in the income statement as financial income or financial expenses.

#### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

#### Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Work in progress

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Given the nature of the Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from group entities".

##### Income taxes and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

As management company for all the entities in the joint taxation arrangement, the parent company is liable for payment of the subsidiaries' income taxes vis à vis the tax authorities as the subsidiaries pay their joint taxation contributions. Joint taxation contributions payable or receivable are recognised in the balance sheet as income tax receivables or payables.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other payables

Other payables are measured at net realisable value.

##### Lease liabilities

Lease liabilities are measured at the net present value of the remaining lease payments including any guaranteed residual value based on the interest rate implicit in the lease.

##### Prepayments received from customers

Prepayments received from customers is measured at amortised costs.

##### Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

##### Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before financial items adjusted for other operating income and other operating expenses
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Going concern uncertainties

At 31 December 2020, the Group's current liabilities exceeds the non-fixed assets. The ultimate parent company, Vice Group Holding Inc., has confirmed that it will continue to provide the necessary financial support in order for the Company to pay its obligations as they fall due.

Further, the ultimate parent company, Vice Group Holding Inc., has confirmed that Vice ApS will not incur any losses on intercompany receivables including financial support for any impairment losses or losses incurred in connection with liquidation of the subsidiary, Vice Norway AS.

On this basis, management has prepared the financial statements under the assumption of the going concern principle.

#### 3 Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

DKK'000	Group		Parent company	
	2020	2019	2020	2019
<b>4 Staff costs</b>				
Wages/salaries	23,917	41,819	23,917	41,254
Pensions	2,296	2,434	2,296	2,434
Other social security costs	254	450	254	450
Other staff costs	-996	-586	-996	-536
	<u>25,471</u>	<u>44,117</u>	<u>25,471</u>	<u>43,602</u>
Average number of full-time employees	<u>47</u>	<u>73</u>	<u>47</u>	<u>73</u>

#### Group

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the Group's Management is not disclosed.

#### Parent company

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.

DKK'000	Group		Parent company	
	2020	2019	2020	2019
<b>5 Depreciation of property, plant and equipment</b>				
Depreciation of property, plant and equipment	1,791	2,079	1,791	2,079
	<u>1,791</u>	<u>2,079</u>	<u>1,791</u>	<u>2,079</u>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	Group		Parent company	
	2020	2019	2020	2019
<b>6 Financial income</b>				
Interest receivable, Group entities	0	16	1	16
Other interest income	52	179	51	179
Exchange gains	1,472	3,172	1,497	3,172
Other financial income	5	7	0	1
	<u>1,529</u>	<u>3,374</u>	<u>1,549</u>	<u>3,368</u>
<b>7 Financial expenses</b>				
Interest expenses, Group entities	43	909	43	909
Other interest expenses	327	418	327	418
Exchange losses	97	769	22	769
Other financial expenses	5	17	0	0
	<u>472</u>	<u>2,113</u>	<u>392</u>	<u>2,096</u>
<b>8 Tax for the year</b>				
Estimated tax charge for the year	0	1,173	0	1,173
Deferred tax adjustments in the year	-1,972	2,289	-1,972	2,289
Tax adjustments, prior years	-1,174	0	-1,174	0
Refund in joint taxation	-98	0	-98	0
	<u>-3,244</u>	<u>3,462</u>	<u>-3,244</u>	<u>3,462</u>

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Property, plant and equipment

	<u>Group</u>
	<u>Fixtures and fittings, other plant and equipment</u>
DKK'000	
Cost at 1 January 2020	10,086
Additions	149
Disposals	-1,798
Cost at 31 December 2020	<u>8,437</u>
Impairment losses and depreciation at 1 January 2020	7,318
Depreciation	1,791
Depreciation and impairment of disposals	-1,409
Impairment losses and depreciation at 31 December 2020	<u>7,700</u>
Carrying amount at 31 December 2020	<u>737</u>
Depreciated over	<u>3-5 years</u>
	<u>Parent company</u>
	<u>Fixtures and fittings, other plant and equipment</u>
DKK'000	
Cost at 1 January 2020	10,086
Additions	149
Disposals	-1,798
Cost at 31 December 2020	<u>8,437</u>
Impairment losses and depreciation at 1 January 2020	7,318
Depreciation	1,791
Depreciation and impairment of disposals	-1,409
Impairment losses and depreciation at 31 December 2020	<u>7,700</u>
Carrying amount at 31 December 2020	<u>737</u>
Depreciated over	<u>3-5 years</u>



## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 10 Investments

	Group	
	Deposits, investments	
DKK'000		
Cost at 1 January 2020		1,843
Disposals		-815
Cost at 31 December 2020		1,028
<b>Carrying amount at 31 December 2020</b>		<b>1,028</b>

  

	Parent company		
	Investments in group enterprises	Deposits, investments	Total
DKK'000			
Cost at 1 January 2020	25	1,843	1,868
Disposals	0	-815	-815
Cost at 31 December 2020	25	1,028	1,053
<b>Carrying amount at 31 December 2020</b>	<b>25</b>	<b>1,028</b>	<b>1,053</b>

#### Parent company

Name	Legal form	Domicile	Interest
<b>Subsidiaries</b>			
Vice Norway AS	AS	Oslo, Norway	100.00%

	Group		Parent company	
DKK'000	2020	2019	2020	2019
<b>11 Work in progress</b>				
Selling price of work performed	3,652	1,945	3,652	1,946
Progress billings	-3,591	-10,580	-3,591	-10,567
	61	-8,635	61	-8,621
recognised as follows:				
Work in progress (assets)	476	1,562	476	1,562
Work in progress (liabilities)	-415	-10,197	-415	-10,183
	61	-8,635	61	-8,621

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

DKK'000	Group		Parent company	
	2020	2019	2020	2019
<b>12 Deferred tax</b>				
Deferred tax at 1 January	-1,581	-3,868	-1,451	-3,740
Change in deferred tax for the year	-2,950	2,417	-2,950	2,289
Adjustment of deferred tax booked on Equity	130	-130	0	0
Adjustment in deferred tax for previous year	978	0	978	0
<b>Deferred tax at 31 December</b>	<b>-3,423</b>	<b>-1,581</b>	<b>-3,423</b>	<b>-1,451</b>
Deferred tax relates to:				
Property, plant and equipment	-594	-556	-594	-426
Tax loss	-2,792	-978	-2,792	-978
Other taxable temporary differences	-37	-32	-37	-32
Other non-taxable temporary differences	0	-15	0	-15
	<b>-3,423</b>	<b>-1,581</b>	<b>-3,423</b>	<b>-1,451</b>

The recognized tax asset consists, among other things, of tax losses carried forward, which are expected to be utilized within the coming years. In assessing the utilization of the tax asset, special emphasis has been placed on the company having implemented efficiencies that are expected to increase the company's gross profit and the company's profit.

### 13 Prepayments

#### Group

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies etc.

#### Parent company

Prepayments include accrual of expenses relating to subsequent financial years, including rent, insurance policies etc.

### 14 Share capital

The parent's share capital has remained DKK 125 thousand in the past year.

Analysis of changes in the share capital over the past 4 years:

DKK'000	2020	2019	2018	2017
Opening balance	125	125	125	125
	125	125	125	125

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 15 Non-current liabilities other than provisions

	Group			
	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
DKK'000				
Other payables	2,373	0	2,373	0
	<u>2,373</u>	<u>0</u>	<u>2,373</u>	<u>0</u>
	Parent company			
	Total debt at 31/12 2020	Repayment, next year	Long-term portion	Outstanding debt after 5 years
DKK'000				
Other payables	2,373	0	2,373	0
	<u>2,373</u>	<u>0</u>	<u>2,373</u>	<u>0</u>

Other payables comprise of holiday allowance accrued under the Danish Holiday Act for the period 1 September 2019 until 31 December 2019.

#### 16 Contractual obligations and contingencies, etc.

##### Other financial obligations

Other rent and lease liabilities:

	Group		Parent company	
	2020	2019	2020	2019
DKK'000				
Rent and lease liabilities	4,251	3,907	4,251	3,907
	<u>4,251</u>	<u>3,907</u>	<u>4,251</u>	<u>3,907</u>

##### Parent company

As management company, the Company is jointly taxed with other Danish group entities. The Company is jointly and severally with other jointly taxed group entities for payment of income taxes and withholding taxes falling due for payment in the group of jointly taxed entities.

#### 17 Collateral

##### Group

The Group has not provided any security or other collateral in assets at 31 December 2020.

##### Parent company

The parent Company has not placed any assets or other as security for loans at 31/12 2020.

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

#### 18 Related parties

##### Group

Vice ApS' related parties comprise the following:

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Vice Europe Holding Limited	37 Esplanade, St. Helier, Jersey, JE2 3QA, Great Britain	Ownership
Vice Group Holding Inc.	49 S 2nd St, Brooklyn, New York, USA	Ultimate parent company
Shane Emerson Smith	Santa Monica, California, USA	60,6 % voting right

##### Related party transactions

<u>DKK'000</u>	<u>2020</u>	<u>2019</u>
<b>Group</b>		
Revenue (services), group sister companies	1,983	45,553
Expenses (services), group sister companies	-5,530	-18,769
Receivables from group sister companies	1,557	23,105
Payables to group sister companies	-13,605	-16,440
<b>Parent Company</b>		
Revenue (services), group sister companies	1,983	45,530
Expenses (services), group sister companies	-5,530	-18,769
Receivables from group sister companies	1,557	23,105
Payables to group sister companies	-13,605	-14,434

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Vice Europe Holding Limited	37 Esplanade, st Helier, Jersey, JE2 3QA, Great Britain
Shane Emerson Smith	Santa Monica, California, USA

##### Parent company

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Vice Europe Holding Limited	37 Esplanade, st Helier, Jersey, JE2 3QA, Great Britain	Ownership
Vice Group Holding Inc.	49 S. 2nd St., Brooklyn, 11241 NY, USA	Ultimate parent company

## Consolidated financial statements and parent company financial statements 1 January - 31 December

### Notes to the financial statements

		Parent company	
DKK'000		2020	2019
19	Appropriation of profit/loss		
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-13,916	11,124
		<u>-13,916</u>	<u>11,124</u>
		Group	
DKK'000		2020	2019
20	Adjustments		
	Amortisation/depreciation and impairment losses	1,791	2,079
	Loss on disposed assets	389	0
	Change in deposits	815	-250
	Financial income	1,529	3,374
	Financial expenses	-472	-2,113
	Tax for the year	-3,244	3,462
		<u>808</u>	<u>6,552</u>
21	Changes in working capital		
	Change in receivables	15,621	1,739
	Change in trade and other payables	-16,416	5,999
	Other changes in working capital	5,582	0
		<u>4,787</u>	<u>7,738</u>
22	Cash and cash equivalents at year-end		
	Cash according to the balance sheet	1,832	816
		<u>1,832</u>	<u>816</u>