Signifly ApS

Vesterbrogade 44, 1., 1620 København V

CVR no. 33 15 68 98

Annual report 2019

Approved at the Company's annual general meeting on 14 April 2020

Chairman:

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Michael Valentin Erichsen

Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of Signifly ApS for the financial year 1 January - 31 December 2019.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 14 April 2020
Executive Board:

Patrick Lundstrøm Rønning	Alexander Spangtoft Spliid	Michael Valentin Erichsen

Independent auditor's report

To the shareholders of Signifly ApS

Opinion

We have audited the financial statements of Signifly ApS for the financial year 1 January - 31 December 2019, which comprise 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 financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities 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.

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 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 the 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 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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 14 April 2020
Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Anders Flymer-Dindler
State Authorised Public Accountant
mne35423

Management's review

Company details

Name	Signifly ApS
Address, Postal code, City	Vesterbrogade 44, 1., 1620 København V
CVR no.	33 15 68 98
Established	15 September 2010
Registered office	København
Financial year	1 January - 31 December
Website	www.signifly.com
E-mail	hello@signifly.com
Telephone	+45 60 66 31 16
Executive Board	Patrick Lundstrøm Rønning Alexander Spangtoft Spliid Michael Valentin Erichsen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

The Company's activities comprise digital agency activities specializing in digital innovation.

Financial review

The income statement for 2019 shows a profit of DKK 1,596 thousand against a profit of DKK 422 thousand last year, and the balance sheet at 31 December 2019 shows equity of DKK 3,123 thousand.

Events after the balance sheet date

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

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2019	2018
	Revenue	21,456	14,047
	Other operating income	0	7
	External expenses	-7,000	-4,567
	Gross profit	14,456	9,487
2	Staff costs	-12,045	-8,718
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-342	-214
	Profit before net financials	2,069	555
	Financial income	1	0
	Financial expenses	-19	-11
	Profit before tax	2,051	544
3	Tax for the year	-455	-122
	Profit for the year	1,596	422
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	1,000	200
	Retained earnings	596	222
		1,596	422

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2019	2018
	ASSETS		
	Fixed assets		
4	**Property, plant and equipment**		
	Fixtures and fittings, other plant and equipment	280	241
	Leasehold improvements	783	203
		1,063	444
5	**Investments**		
	Investments in group enterprises	0	0
	Deposits, investments	480	245
		480	245
	Total fixed assets	1,543	689
	Non-fixed assets		
	Receivables		
	Trade receivables	3,031	3,188
	Construction contracts	809	325
	Receivables from group enterprises	375	0
	Deferred tax assets	12	19
	Corporation tax receivable	0	25
	Prepayments	73	56
		4,300	3,613
	Cash	1,975	2,718
	Total non-fixed assets	6,275	6,331
	TOTAL ASSETS	7,818	7,020

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2019	2018
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	80	80
	Retained earnings	2,043	1,447
	Dividend proposed	1,000	200
	Total equity	3,123	1,727
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Other payables	409	0
		409	0
	Current liabilities other than provisions		
	Prepayments received from customers	2,314	2,674
	Trade payables	139	224
	Corporation tax payable	145	0
	Payables to shareholders and management	0	701
	Other payables	1,552	1,568
	Deferred income	136	126
		4,286	5,293
	Total liabilities other than provisions	4,695	5,293
	TOTAL EQUITY AND LIABILITIES	7,818	7,020

1 Accounting policies
6 Contractual obligations and contingencies, etc.
7 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2019	80	1,447	200	1,727
Transfer through appropriation of profit	0	596	1,000	1,596
Dividend distributed	0	0	-200	-200
Equity at 31 December 2019	80	2,043	1,000	3,123

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies**

The annual report of Signifly ApS for 2019 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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).

Income statement

Revenue

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).

Other operating income

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

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
Leasehold improvements	3-5 years

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

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 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.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

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.

Construction contracts

Service supplies 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.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Prepayments received from customers

Prepayment received from customers relates to prepayments received from customers regarding the Company's primary activities.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK'000	2019	2018
2 Staff costs		
Wages/salaries	11,102	8,050
Pensions	717	500
Other social security costs	175	139
Other staff costs	51	29
	12,045	8,718
Average number of full-time employees	25	19
3 Tax for the year		
Estimated tax charge for the year	445	128
Deferred tax adjustments in the year	7	-6
Tax adjustments, prior years	3	0
	455	122

4 Property, plant and equipment

DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2019	923	694	1,617
Additions	190	770	960
Cost at 31 December 2019	1,113	1,464	2,577
Impairment losses and depreciation at 1 January 2019	682	491	1,173
Depreciation	151	190	341
Impairment losses and depreciation at 31 December 2019	833	681	1,514
Carrying amount at 31 December 2019	280	783	1,063
Depreciated over	3-5 years	3-5 years	

Financial statements 1 January - 31 December

Notes to the financial statements

5 Investments

DKK'000	Investments in group enterprises	Deposits, investments	Total
Cost at 1 January 2019	0	245	245
Additions	0	235	235
Cost at 31 December 2019	0	480	480
Carrying amount at 31 December 2019	0	480	480

The Canadian subsidiary is newly-established and has not yet issued any financial statements. Cost for the Canadian subsidiary amounts to zero.

Name	Legal form	Domicile	Interest
Subsidiaries			
Digital Agency Signifly	Ltd	Montreal, Canada	51.00%

6 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2019	2018
Rent and lease liabilities	2,747	252

7 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2019.

Underskrifterne i dette dokument er juridisk bindende. Dokumentet er underskrevet via Penneo™ sikker digital underskrift. Underskrivernes identiteter er blevet registereret, og informationerne er listet herunder.

"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Michael Valentin Erichsen
Direktion
På vegne af: Signifly ApS
Serienummer: PID:9208-2002-2-781520113177
IP: 109.57.xxx.xxx
2020-04-14 15:32:09Z
NEM ID

Michael Valentin Erichsen
Dirigent
På vegne af: Signifly ApS
Serienummer: PID:9208-2002-2-781520113177
IP: 109.57.xxx.xxx
2020-04-14 15:32:09Z
NEM ID

Alexander Spangtoft Spliid
Direktion
På vegne af: Signifly ApS
Serienummer: PID:9208-2002-2-730581900033
IP: 83.92.xxx.xxx
2020-04-14 16:50:50Z
NEM ID

Patrick Lundstrøm Rønning
Direktion
På vegne af: Signifly ApS
Serienummer: PID:9208-2002-2-734867122891
IP: 89.23.xxx.xxx
2020-04-14 18:09:55Z
NEM ID

Anders Flymer-Dindler
Statsautoriseret revisor
På vegne af: Ernst & Young P/S
Serienummer: CVR:30700228-RID:34643108
IP: 188.177.xxx.xxx
2020-04-14 18:33:42Z
NEM ID