
Mobaro A/S

Hasselager Centervej 13, 1., DK-8260 Viby J

Annual Report for 1 January - 31 December 2019

CVR No 33 16 25 10

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/6 2020

Søren Christiansen
Chairman of the General
Meeting



pwc

Contents

	<u>Page</u>
Management's Statement and Auditor's Statement	
Management's Statement	1
The Independent Practitioner's Review Report on Financial Statements	2
Company Information	
Company Information	3
Financial Statements	
Income Statement 1 January - 31 December	4
Balance Sheet 31 December	5
Notes to the Financial Statements	7

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Mobarø A/S for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 30 June 2020

Executive Board

Henrik Fjordside Have
Executive Officer

Board of Directors

Søren Christiansen

Henrik Fjordside Have

Klaus Bülow Davidsen

The Independent Practitioner's Review Report on Financial Statements

To the Shareholders of Mobarø A/S

We have reviewed the Financial Statements of Mobarø A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet and notes, including a summary of significant 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.

Practitioner's responsibility

Our responsibility is to express a conclusion on the Financial Statements. We conducted our review in accordance with the International Standard on Engagements to Review Historical Financial Statements and additional requirements under Danish Auditor 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 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 practitioner 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 the 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 Company's financial position at 31 December 2019 and of the Company's operations for the financial year 1 January - 31 December 2019, in accordance with the Danish Financial Statements Act.

Aarhus, 30 June 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Christian Roding

statsautoriseret revisor

mne33714

Company Information

The Company

Mobaro A/S
Hasselager Centervej 13, 1.
DK-8260 Viby J

CVR No: 33 16 25 10
Financial period: 1 January - 31 December
Incorporated: 24 September 2010
Financial year: 10th financial year
Municipality of reg. office: Aarhus

Board of Directors

Søren Christiansen
Henrik Fjordside Have
Klaus Bülow Davidsen

Executive Board

Henrik Fjordside Have

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Nobelparken
Jens Chr. Skous Vej 1
DK-8000 Aarhus C

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		4.134.528	648.739
Staff expenses	3	-3.693.961	-3.770.593
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3.330.387	-3.399.300
Profit/loss before financial income and expenses		-2.889.820	-6.521.154
Financial income	4	149.735	119.787
Financial expenses		-469.477	-430.783
Profit/loss before tax		-3.209.562	-6.832.150
Tax on profit/loss for the year	5	714.439	1.039.113
Net profit/loss for the year		-2.495.123	-5.793.037

Distribution of profit

Proposed distribution of profit

Other statutory reserves	1.068.652	1.094.370
Retained earnings	-3.563.775	-6.887.407
	-2.495.123	-5.793.037

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Completed development projects		7.353.460	10.657.000
Development projects in progress		5.834.857	2.933.915
Intangible assets	6	13.188.317	13.590.915
Other fixtures and fittings, tools and equipment		56.881	40.688
Leasehold improvements		44.870	0
Property, plant and equipment	7	101.751	40.688
Investments in subsidiaries	8	423.572	423.572
Deposits		155.313	325.863
Fixed asset investments		578.885	749.435
Fixed assets		13.868.953	14.381.038
Trade receivables		3.755.750	2.109.935
Receivables from group enterprises		2.704.662	2.580.271
Other receivables		5.111	84.540
Corporation tax		701.940	797.652
Prepayments		258.206	295.817
Receivables		7.425.669	5.868.215
Cash at bank and in hand		1.401.432	699.277
Currents assets		8.827.101	6.567.492
Assets		22.696.054	20.948.530

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		1.238.507	1.238.507
Reserve for development costs		7.521.533	6.452.881
Retained earnings		953.328	4.517.103
Equity	9	9.713.368	12.208.491
Provision for deferred tax		668.276	680.775
Provisions		668.276	680.775
Other payables		3.786.366	3.200.000
Long-term debt	10	3.786.366	3.200.000
Credit institutions		138.408	119.070
Prepayments received from customers		5.063.927	1.675.596
Trade payables		273.920	69.962
Payables to group enterprises		97.615	0
Other payables	10	2.954.174	2.994.636
Short-term debt		8.528.044	4.859.264
Debt		12.314.410	8.059.264
Liabilities and equity		22.696.054	20.948.530
Subsequent events	1		
Key activities	2		
Contingent assets, liabilities and other financial obligations	11		
Accounting Policies	12		

Notes to the Financial Statements

1 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

Many of the Company's customers have indicated that they will continue projects in progress, but there is still a risk that COVID-19 will have negative impacts on the Company's growth strategy. It is, however, too early yet to give an opinion as to whether and, if so, to what extent COVID-19 will impact revenue and earnings in 2020. Management expects to recapture any lost revenue later in the year.

Management still considers the cash resources reasonable and has taken measures to ensure sufficient cash resources to cover any loss in revenue related to Covid-19.

2 Key activities

The company's key activities are to develop software solutions to optimize daily operations in retail and adventure parks and attractions.

3 Staff expenses

	<u>2019</u> DKK	<u>2018</u> DKK
Wages and salaries	5.618.883	5.739.023
Pensions	630.503	620.182
Other social security expenses	83.929	90.592
Other staff expenses	<u>261.588</u>	<u>254.711</u>
	6.594.903	6.704.508
Transfer to production wages	<u>-2.900.942</u>	<u>-2.933.915</u>
	3.693.961	3.770.593
Average number of employees	<u>11</u>	<u>11</u>

4 Financial income

Interest received from group enterprises	122.264	109.061
Other financial income	0	585
Exchange adjustments	<u>27.471</u>	<u>10.141</u>
	149.735	119.787

Notes to the Financial Statements

	2019 DKK	2018 DKK
5 Tax on profit/loss for the year		
Current tax for the year	-701.940	-797.652
Deferred tax for the year	-12.499	-295.321
Adjustment of tax concerning previous years	0	53.860
	-714.439	-1.039.113

6 Intangible assets

	Completed development projects DKK	Development projects in progress DKK	Total DKK
Cost at 1 January	16.517.728	2.933.915	19.451.643
Additions for the year	0	2.900.942	2.900.942
Cost at 31 December	16.517.728	5.834.857	22.352.585
Impairment losses and amortisation at 1 January	5.860.728	0	5.860.728
Amortisation for the year	3.303.540	0	3.303.540
Impairment losses and amortisation at 31 December	9.164.268	0	9.164.268
Carrying amount at 31 December	7.353.460	5.834.857	13.188.317
Amortised over	5 years		

Development projects are based on the development of new versions of the company's existing IT platform. The products are delivered to parks and chains of companies in the service sector and provide the opportunity to complete and optimize workflows in sales, service and operation in a real-time format.

The projects are progressing according to plan through the use of the resources allocated by Management. It is expected that the software will be sold in the current market to both the company's existing customers and new customers.

Notes to the Financial Statements

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
Cost at 1 January	44.434	96.970
Additions for the year	34.268	53.642
Disposals for the year	0	-96.970
Cost at 31 December	<u>78.702</u>	<u>53.642</u>
Impairment losses and depreciation at 1 January	3.746	96.970
Depreciation for the year	18.075	8.772
Reversal of impairment and depreciation of sold assets	0	-96.970
Impairment losses and depreciation at 31 December	<u>21.821</u>	<u>8.772</u>
Carrying amount at 31 December	<u>56.881</u>	<u>44.870</u>
Depreciated over	<u>3 years</u>	<u>5 years</u>

Notes to the Financial Statements

	2019 DKK	2018 DKK
8 Investments in subsidiaries		
Cost at 1 January	423.572	423.572
Carrying amount at 31 December	423.572	423.572

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Mobaro Retail Ltd.	United Kingdom	GBP 50.000	100%	-2.521.138	214.645
Mobaro Inc.	USA	USD 1.000	100%	-145.755	-40.276

Investments in subsidiaries are measured at cost. The company's management expects that as subsidiaries are established, they will be able to re-establish their equity through their own earnings. On this basis, no write-down of investments and receivables has been made with subsidiaries.

9 Equity

	Share capital DKK	Reserve for development costs DKK	Retained earnings DKK	Total DKK
Equity at 1 January	1.238.507	6.452.881	4.517.103	12.208.491
Development costs for the year	0	2.262.735	0	2.262.735
Depreciation, amortisation and impairment for the year	0	-1.194.083	0	-1.194.083
Net profit/loss for the year	0	0	-3.563.775	-3.563.775
Equity at 31 December	1.238.507	7.521.533	953.328	9.713.368

Notes to the Financial Statements

10 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2019</u> DKK	<u>2018</u> DKK
Other payables		
Between 1 and 5 years	<u>3.786.366</u>	<u>3.200.000</u>
Long-term part	<u>3.786.366</u>	<u>3.200.000</u>
Within 1 year	2.107.667	1.921.000
Other short-term payables	<u>846.507</u>	<u>1.073.636</u>
Short-term part	<u>2.954.174</u>	<u>2.994.636</u>
	<u>6.740.540</u>	<u>6.194.636</u>

11 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers and Vækstfonden::

As security the company has provided corporate mortgages in current and future acquisitions of intangible and tangible fixed assets, operating equipment, simple receivables from sales and services and inventories.

The book value of assets covered by the company mortgage amounts to DKK

17.145.818	16.165.110
------------	------------

Rental and lease obligations

Lease obligations under operating leases. Total future lease payments:

886.729	1.146.974
---------	-----------

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of Mobarø A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

12 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

12 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Balance Sheet

Intangible assets

Development projects, patents and licences

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 5 years.

Property, plant and equipment

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

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Notes to the Financial Statements

12 Accounting Policies (continued)

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3	years
Leasehold improvements	5	years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,800 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of rent deposits.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Notes to the Financial Statements

12 Accounting Policies (continued)

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.