

Miinto Host ApS

Prags Boulevard 49, st. 9., 2300 Copenhagen S

CVR no. 33 36 53 22

Annual report 2019/20

Approved at the Company's annual general meeting on 4 December 2020

Chairman:  DocuSigned by: 12/14/2020
Regina Andersen
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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 Miinto Host ApS for the financial year 1 August 2019 - 31 July 2020.

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 July 2020 and of the results of the Company's operations for the financial year 1 August 2019 - 31 July 2020.

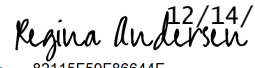
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 4 December 2020
Executive Board:

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Konrad Artur Kierklo
CEO

Board of Directors:

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Regina Møller Andersen
Chairman

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Carsten Stokholm Mikkelsen

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Konrad Artur Kierklo

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John Maik Christopher
Greger



Independent auditor's report

To the shareholders of Miinto Host ApS

Opinion

We have audited the financial statements of Miinto Host ApS for the financial year 1 August 2019 - 31 July 2020, 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 July 2020 and of the results of the Company's operations for the financial year 1 August 2019 - 31 July 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 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.
- ▶ 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.



Independent auditor's report

- ▶ 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.

Aarhus, 4 December 2020
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

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12/16/2020
Morten Friis
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Jonas Busk
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State Authorised Public Accountant
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Management's review

Company details

Name	Miinto Host ApS
Address, Postal code, City	Prags Boulevard 49, st. 9., 2300 Copenhagen S
CVR no.	33 36 53 22
Established	15 December 2010
Registered office	Copenhagen
Financial year	1 August 2019 - 31 July 2020
Board of Directors	Regina Møller Andersen, Chairman Carsten Stokholm Mikkelsen Konrad Artur Kierklo John Maik Christopher Greger
Executive Board	Konrad Artur Kierklo, CEO
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark



Management's review

Business review

The Company's main activity is to serve as hosting company for the Miinto Group.

Financial review

The income statement for 2019/20 shows a loss of DKK 44,121 thousand against a loss of DKK 40,766 thousand last year, and the balance sheet at 31 July 2020 shows equity of DKK 36,154 thousand.

In the fiscal year the world economy has been affected by the Covid-19 outbreak. On an ongoing basis management assesses the effect and the risks for the company both in the short and long term. It is difficult to conclude on the effect of Covid-19 on fiscal year 2019/20.

Events after the balance sheet date

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

Outlook

Covid-19 is generally associated with high uncertainty. Therefore, the expectations for the coming year are associated with uncertainty but so far Covid 19 has been an upside for e-commerce in general and also for Miinto.



Financial statements 1 August 2019 - 31 July 2020

Income statement

Note	DKK'000	2019/20	2018/19
	Gross loss	-27,223	-29,596
3	Staff costs	-25,967	-22,055
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-3,616	-143
	Profit/loss before net financials	-56,806	-51,794
4	Financial income	3,244	215
5	Financial expenses	-2,952	-655
	Profit/loss before tax	-56,514	-52,234
6	Tax for the year	12,393	11,468
	Profit/loss for the year	-44,121	-40,766
	Recommended appropriation of profit/loss		
	Other reserves	10,623	6,942
	Retained earnings/accumulated loss	-54,744	-47,708
		-44,121	-40,766



Financial statements 1 August 2019 - 31 July 2020

Balance sheet

Note	DKK'000	2019/20	2018/19
	ASSETS		
	Non-current assets		
7	Intangible assets		
	Completed development projects	25,019	0
	Acquired intangible assets	42	0
	Development projects in progress and prepayments for intangible assets	0	11,400
		<u>25,061</u>	<u>11,400</u>
8	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	93	94
	Leasehold improvements	110	165
		<u>203</u>	<u>259</u>
	Financial assets		
	Other receivables	364	364
		<u>364</u>	<u>364</u>
	Total non-current assets	<u>25,628</u>	<u>12,023</u>
	Current assets		
	Receivables		
	Trade receivables	0	61
	Receivables from group enterprises	30,165	20,590
	Corporation tax receivable	15,389	13,426
	Other receivables	80	0
	Prepayments	929	1,424
		<u>46,563</u>	<u>35,501</u>
	Cash	0	254
	Total current assets	<u>46,563</u>	<u>35,755</u>
	TOTAL ASSETS	<u>72,191</u>	<u>47,778</u>



Financial statements 1 August 2019 - 31 July 2020

Balance sheet

Note	DKK'000	2019/20	2018/19
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	80	80
	Reserve for development costs	19,515	8,892
	Retained earnings	16,559	-3,697
	Total equity	36,154	5,275
	Non-current liabilities		
	Deferred tax	5,504	2,508
	Total non-current liabilities	5,504	2,508
	Current liabilities		
	Bank debt	1,866	0
	Trade payables	1,516	969
	Payables to group enterprises	21,671	36,668
	Other payables	5,480	2,358
	Total current liabilities	30,533	39,995
	Total liabilities	36,037	42,503
	TOTAL EQUITY AND LIABILITIES	72,191	47,778

- 1 Accounting policies
- 2 Uncertainty regarding going concern
- 10 Contractual obligations and contingencies, etc.
- 11 Related parties



Financial statements 1 August 2019 - 31 July 2020

Statement of changes in equity

DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 August 2018	80	1,950	-989	1,041
Transfer through appropriation of loss	0	6,942	-47,708	-40,766
Contribution from group	0	0	45,000	45,000
Equity at 1 August 2019	80	8,892	-3,697	5,275
Transfer through appropriation of loss	0	10,623	-54,744	-44,121
Contribution from group	0	0	75,000	75,000
Equity at 31 July 2020	80	19,515	16,559	36,154



Financial statements 1 August 2019 - 31 July 2020

Notes to the financial statements

1 Accounting policies

The annual report of Miinto Host ApS for 2019/20 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.

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

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Reporting currency

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

Income statement

Revenue

Net sales are made up of hosting fees invoiced to affiliated companies.

Gross loss

In the income statement, net sales, other operating income and external costs are summarised into one accounting item called gross loss in accordance with section 32 of the Danish Financial Statements Act.

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.



Financial statements 1 August 2019 - 31 July 2020

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

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

Completed development projects	7 years
Fixtures and fittings, other plant and equipment	2-5 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.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

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 entity is jointly taxed with other subsidiaries. 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.



Financial statements 1 August 2019 - 31 July 2020

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Intangible assets

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

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 7 years and cannot exceed 10 years.

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.

Financial assets

Financial fixed assets include deposits and are measured at cost.

Receivables

Receivables are measured at amortised cost.

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 the 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.

Prepayments

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



Financial statements 1 August 2019 - 31 July 2020

Notes to the financial statements

1 Accounting policies (continued)

Cash

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

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.

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.

2 Uncertainty regarding going concern

Based on the loss after tax of DKK 44,121 thousand the equity at year end is DKK 36,514 thousand. Based on the expected result for the financial year 2020/21 the company could come in a capital loss situation.

It is managements expectations that necessary capital will be provided from Miinto Holding ApS.



Financial statements 1 August 2019 - 31 July 2020

Notes to the financial statements

DKK'000	<u>2019/20</u>	<u>2018/19</u>
3 Staff costs		
Wages/salaries	24,420	20,108
Pensions	744	424
Other social security costs	-464	-99
Other staff costs	1,267	1,622
	<u>25,967</u>	<u>22,055</u>
 Average number of full-time employees	 <u>52</u>	 <u>44</u>
 By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to Management is not disclosed.		
4 Financial income		
Interest receivable, group entities	204	15
Exchange adjustments	3,032	200
Other financial income	8	0
	<u>3,244</u>	<u>215</u>
5 Financial expenses		
Interest expenses, group entities	0	377
Other interest expenses	0	12
Exchange adjustments	2,424	244
Other financial expenses	528	22
	<u>2,952</u>	<u>655</u>
6 Tax for the year		
Estimated tax charge for the year	-15,389	-13,426
Deferred tax adjustments in the year	2,996	1,958
	<u>-12,393</u>	<u>-11,468</u>



Financial statements 1 August 2019 - 31 July 2020

Notes to the financial statements

7 Intangible assets

DKK'000	Completed development projects	Acquired intangible assets	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 August 2019	0	0	11,400	11,400
Additions	0	49	17,110	17,159
Transferred	28,510	0	-28,510	0
Cost at 31 July 2020	28,510	49	0	28,559
Amortisation for the year	3,491	7	0	3,498
Impairment losses and amortisation at 31 July 2020	3,491	7	0	3,498
Carrying amount at 31 July 2020	25,019	42	0	25,061

8 Property, plant and equipment

DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 August 2019	370	541	911
Additions	62	0	62
Cost at 31 July 2020	432	541	973
Revaluations at 1 August 2019	0	0	0
Revaluations at 31 July 2020	0	0	0
Impairment losses and depreciation at 1 August 2019	276	376	652
Depreciation	63	55	118
Impairment losses and depreciation at 31 July 2020	339	431	770
Carrying amount at 31 July 2020	93	110	203

9 Share capital

Each A share carries five voting rights and each B share carries one voting right.



Financial statements 1 August 2019 - 31 July 2020

Notes to the financial statements

10 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with the other companies in the Group and is jointly and severally liable for taxes relating to the joint taxation. The total amount is disclosed in the annual report of HEARTLAND A/S, which is the management company in the joint taxation.

Other financial obligations

Other rent and lease liabilities:

DKK'000	<u>2019/20</u>	<u>2018/19</u>
Rent and lease liabilities	1,042	1,274

11 Related parties

Miinto Host ApS' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Miinto Holding ApS	Copenhagen	Owens Miinto Host ApS 100 %

Related party transactions

Miinto Host ApS was engaged in the below related party transactions:

DKK'000	<u>2019/20</u>
Financial income	204
Financial expenses	-471
Management fee	-11,647
Capital contribution	75,000
Hosting fee	-17,096