

Miinto Host A/S

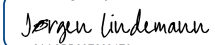
Prags Boulevard 49, st., 2300 Copenhagen S

CVR no. 33 36 53 22

Annual report 2020/21

Approved at the Company's annual general meeting on 22 November 2021

Chair of the meeting:

DocuSigned by:

.....
Jørgen Lindemann

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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 A/S for the financial year 1 August 2020 - 31 July 2021.

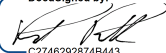
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2021 and of the results of the Company's operations for the financial year 1 August 2020 - 31 July 2021.

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

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


Copenhagen, 22 November 2021
Executive Board:


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Konrad Artur Kierklo
CEO

Board of Directors:

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Jørgen Lindemann
Chair

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Konrad Artur Kierklo

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Carsten Stokholm Mikkelsen

Independent auditor's report

To the shareholders of Miinto Host A/S

Opinion

We have audited the financial statements of Miinto Host A/S for the financial year 1 August 2020 - 31 July 2021, 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 2021 and of the results of the Company's operations for the financial year 1 August 2020 - 31 July 2021 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.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- ▶ 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.

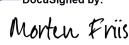
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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, 22 November 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

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Morten Friis
State Authorised Public Accountant
mne32732

DocuSigned by:

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Jonas Busk
State Authorised Public Accountant
mne42771

Management's review

Company details

Name	Miinto Host A/S
Address, Postal code, City	Prags Boulevard 49, st., 2300 Copenhagen S
CVR no.	33 36 53 22
Established	15 December 2010
Registered office	Copenhagen
Financial year	1 August 2020 - 31 July 2021
Board of Directors	Jørgen Lindemann, Chair Konrad Artur Kierklo Carsten Stokholm Mikkelsen
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 2020/21 shows a loss of DKK 75,485 thousand against a loss of DKK 44,121 thousand last year, and the balance sheet at 31 July 2021 shows equity of DKK 5,669 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 2020/21.

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 2020 - 31 July 2021**Income statement**

Note	DKK'000	<u>2020/21</u>	<u>2019/20</u>
	Gross loss	-63,489	-27,223
3	Staff costs	-31,703	-25,967
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-5,698	-3,616
	Profit/loss before net financials	-100,890	-56,806
4	Financial income	819	3,244
5	Financial expenses	-2,324	-2,952
	Profit/loss before tax	-102,395	-56,514
6	Tax for the year	26,910	12,393
	Profit/loss for the year	<u>-75,485</u>	<u>-44,121</u>

Financial statements 1 August 2020 - 31 July 2021**Balance sheet**

Note	DKK'000	<u>2020/21</u>	<u>2019/20</u>
	ASSETS		
	Non-current assets		
7	Intangible assets		
	Completed development projects	42,268	25,019
	Acquired intangible assets	550	42
		<u>42,818</u>	<u>25,061</u>
8	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	48	93
	Leasehold improvements	385	110
		<u>433</u>	<u>203</u>
	Financial assets		
	Other receivables	749	364
		<u>749</u>	<u>364</u>
	Total non-current assets	<u>44,000</u>	<u>25,628</u>
	Current assets		
	Receivables		
	Receivables from group enterprises	123,193	30,165
	Corporation tax receivable	21,519	9,885
	Other receivables	0	80
9	Prepayments	1,045	929
		<u>145,757</u>	<u>41,059</u>
	Cash	305	0
	Total current assets	<u>146,062</u>	<u>41,059</u>
	TOTAL ASSETS	<u><u>190,062</u></u>	<u><u>66,687</u></u>

Financial statements 1 August 2020 - 31 July 2021**Balance sheet**

Note	DKK'000	<u>2020/21</u>	<u>2019/20</u>
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	400	80
	Reserve for development costs	32,969	19,515
	Retained earnings	-27,700	16,559
	Total equity	<u>5,669</u>	<u>36,154</u>
	Liabilities		
	Current liabilities		
	Bank debt	3,132	1,866
	Trade payables	2,613	1,516
	Payables to group enterprises	164,786	21,671
	Other payables	13,862	5,480
	Total current liabilities	<u>184,393</u>	<u>30,533</u>
		<u>184,393</u>	<u>30,533</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>190,062</u></u>	<u><u>66,687</u></u>

- 1 Accounting policies
- 2 Uncertainty regarding going concern
- 11 Contractual obligations and contingencies, etc.
- 12 Related parties
- 13 Appropriation of profit/loss

Financial statements 1 August 2020 - 31 July 2021**Statement of changes in equity**

Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
	Equity at 1 August 2019	80	8,892	-3,697	5,275
13	Transfer, see "Appropriation of profit/loss"	0	10,623	-54,744	-44,121
	Contribution from group	0	0	75,000	75,000
	Equity at 1 August 2020	80	19,515	16,559	36,154
	Capital increase	320	0	44,680	45,000
13	Transfer, see "Appropriation of profit/loss"	0	13,454	-88,939	-75,485
	Equity at 31 July 2021	400	32,969	-27,700	5,669

Financial statements 1 August 2020 - 31 July 2021

Notes to the financial statements

1 Accounting policies

The annual report of Miinto Host A/S for 2020/21 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.

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).

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

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 2020 - 31 July 2021

Notes to the financial statements

1 Accounting policies (continued)

Amortisation/depreciation and impairment

The item comprises amortisation/depreciation and impairment 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 2020 - 31 July 2021

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.

Leases

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

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 2020 - 31 July 2021

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.

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 statements 1 August 2020 - 31 July 2021**Notes to the financial statements****2 Uncertainty regarding going concern**

Based on the loss after tax of DKK 75,485 thousand the equity at year end is DKK 5,669 thousand. Based on the expected result for the financial year 2021/22 the company could come in a capital loss situation.

It is managements expectations that necessary capital will be provided from Miinto Holding A/S.

DKK'000	<u>2020/21</u>	<u>2019/20</u>
3 Staff costs		
Wages/salaries	28,801	24,420
Pensions	879	744
Other social security costs	-127	-464
Other staff costs	2,150	1,267
	<u>31,703</u>	<u>25,967</u>
 Average number of full-time employees	 <u>56</u>	 <u>52</u>
 Total remuneration to Management: DKK 1,722 thousand.		
 4 Financial income		
Interest receivable, group entities	0	204
Exchange adjustments	819	3,032
Other financial income	0	8
	<u>819</u>	<u>3,244</u>
 5 Financial expenses		
Exchange adjustments	2,163	2,424
Other financial expenses	161	528
	<u>2,324</u>	<u>2,952</u>
 6 Tax for the year		
Estimated tax charge for the year	-27,023	-12,393
Tax adjustments, prior years	113	0
	<u>-26,910</u>	<u>-12,393</u>

Financial statements 1 August 2020 - 31 July 2021**Notes to the financial statements****7 Intangible assets**

DKK'000	Completed development projects	Acquired intangible assets	Total
Cost at 1 August 2020	28,510	49	28,559
Additions	22,812	524	23,336
Cost at 31 July 2021	51,322	573	51,895
Impairment losses and amortisation at 1 August 2020	3,491	7	3,498
Amortisation for the year	5,563	16	5,579
Impairment losses and amortisation at 31 July 2021	9,054	23	9,077
Carrying amount at 31 July 2021	42,268	550	42,818

8 Property, plant and equipment

DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 August 2020	432	541	973
Additions	0	349	349
Cost at 31 July 2021	432	890	1,322
Impairment losses and depreciation at 1 August 2020	339	431	770
Depreciation	45	74	119
Impairment losses and depreciation at 31 July 2021	384	505	889
Carrying amount at 31 July 2021	48	385	433

9 Prepayments

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

10 Share capital

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

Financial statements 1 August 2020 - 31 July 2021**Notes to the financial statements****11 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>2020/21</u>	<u>2019/20</u>
Rent and lease liabilities	837	1,042

12 Related parties

Miinto Host A/S' related parties comprise the following:

Parties exercising control

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

Related party transactions

Miinto Host A/S was engaged in the below related party transactions:

DKK'000	<u>2020/21</u>
Financial income	819
Financial expenses	-2,205
Management fee	-25,379
Capital contribution	45,000
Hosting fee	-3,529

DKK'000	<u>2020/21</u>	<u>2019/20</u>
13 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Other reserves	13,454	10,623
Retained earnings/accumulated loss	-88,939	-54,744
	<u>-75,485</u>	<u>-44,121</u>