

DANMAGI GROUP ApS

Skodsborg Strandvej 123, 1,
2942 Skodsborg

CVR No. 33885849

Annual Report 2022

11. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 18 July 2023

Keld Friis
Chairman

DANMAGI GROUP ApS

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DANMAGI GROUP ApS

Management's Statement

Today, Management has considered and adopted the Annual Report of DANMAGI GROUP ApS for the financial year 1 January 2022 - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Skodsborg, 17 July 2023

Executive Board

Daniel Gilpin Lister
Manager

Supervisory Board

Alex Rodenberg
Member

Keld Friis
Member

Daniel Gilpin Lister
Member

Independent Auditors' Report

To the shareholders of DANMAGI GROUP ApS

Opinion

We have audited the financial statements of DANMAGI GROUP ApS for the financial year 1 January 2022 - 31 December 2022, which comprise an income statement, balance sheet, statement of changes in equity and notes. 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 Company's financial position at 31 December 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material going concern uncertainty

Without modifying our opinion, we wish to note that the Company's ability to continue as a going concern is associated with considerable uncertainty. We refer to note 2 in the financial statements, which reflects uncertainty as to whether binding commitments will be entered into for the financing of the Company's operations and the necessary investments in the coming years. However, as Management believes that such commitments will be entered into, the financial statements have been prepared on a going concern basis.

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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- *Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.

Independent Auditors' 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- *Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- *Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Vallensbæk Strand, 17 July 2023

Sønderup I/S

Statsautoriserede revisorer

CVR-no. 31824559

Christian Hjortshøj

State Authorised Public Accountant

mne34485

DANMAGI GROUP ApS

Company details

Company	DANMAGI GROUP ApS Skodsborg Strandvej 123, 1, 2942 Skodsborg
Telephone	70252671
email	info@danmagi.com
CVR No.	33885849
Date of formation	14 September 2011
Supervisory Board	Alex Rodenberg Keld Friis Daniel Gilpin Lister, Manager
Executive Board	Daniel Gilpin Lister, Manager
Auditors	Sønderup I/S Statsautoriserede revisorer Strandesplanaden 110, 2 2665 Vallensbæk Strand CVR-no.: 31824559

Management's Review

The Company's principal activities

DanMagi Group ApS is a holding company for DanMagi ApS and DanMagi Serviços de Informática Ltda. The primary purpose of DanMagi is to invest in DanMagi companies in order to develop and sell DanMagi's cloud-based internet solution, which offers reliable Wi-Fi access to guests in hotels, restaurants, cafes, conference centers, and other relevant segments where guests require temporary internet access via Wi-Fi.

DanMagi has identified a gap in the market and offers the customer segments a high-quality solution at competitive prices. The reception of DanMagi as a leading provider of innovative guest internet services has been consistently positive.

The company has built a strong market platform, including partnerships with global customers. Therefore, the company is in a strong position for future development and a significant increase in activities going forward.

The company has a global focus with its headquarters in Copenhagen, covering the EMEA region, including a branch in the United Kingdom. Additionally, the company has a subsidiary in India covering the APAC region. DanMagi Group also has a Brazilian company for the CALA region.

Insecurity regarding recognition or measurement

There is no material insecurity regarding recognition or measurement.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK -2.725.851 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 1.389.922 and an equity of DKK -5.039.005.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Expectations for the future

For the year 2022, the Group has incurred a loss and has a significant negative equity. The management is working on various initiatives to restore the equity and ensure sustainable operations in the future.

There is an ongoing dialogue with Vækstfonden (Growth Fund) regarding the repayment of loans in the subsidiary DanMagi ApS, which is intended to be provided by using liquidity from the company's main shareholders, who have indicated their openness to this. Additionally, the management expects - subject to the conclusion of an agreement with Vækstfonden - a capital injection from the parent company in 2023 to cover the outstanding debt recorded in the annual report. These measures are expected to restore the equity.

At the time of the annual report, the negotiations with Vækstfonden and the final confirmation of additional liquidity are not yet concluded. However, the management considers it highly likely that the negotiations will end positively, with only formalities remaining. As a result, the annual report has been prepared on the going concern principle.

DANMAGI GROUP ApS

Income Statement

	Note	2022 kr.	2021 kr.
Gross profit		-1.529.358	445.617
Other employee expense	1	-2.001.399	-1.903.735
Profit from ordinary operating activities		-3.530.757	-1.458.118
Income from investments in group enterprises and associates		-1.541.768	-7.612.684
Other finance income from group enterprises		2.685.314	2.014.906
Finance income		-3.770	17.429
Finance expenses		-52.615	-40.254
Profit from ordinary activities before tax		-2.443.596	-7.078.720
Tax expense on ordinary activities		-282.255	-296.079
Profit		-2.725.851	-7.374.799
Proposed distribution of results			
Retained earnings		-2.725.851	-7.374.799
Distribution of profit		-2.725.851	-7.374.799

DANMAGI GROUP ApS**Balance Sheet as of 31 December**

	Note	2022 kr.	2021 kr.
Assets			
Long-term investments in group enterprises		359.171	195.761
Investments		<u>359.171</u>	<u>195.761</u>
Fixed assets		<u>359.171</u>	<u>195.761</u>
Short-term trade receivables		213.980	60.010
Other receivables		53.984	20.233
Short-term tax receivables		743.427	1.058.457
Deferred income assets		0	27.800
Receivables		<u>1.011.391</u>	<u>1.166.500</u>
Cash and cash equivalents		<u>19.360</u>	<u>95.912</u>
Current assets		<u>1.030.751</u>	<u>1.262.411</u>
Assets		<u>1.389.922</u>	<u>1.458.172</u>

DANMAGI GROUP ApS

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Contributed capital		63.138.931	58.355.239
Share premium		48.226.538	43.823.643
Retained earnings		-116.404.474	-113.678.623
Equity		-5.039.005	-11.499.741
Provisions for investments in group enterprises		2.489.671	10.052.679
Provisions		2.489.671	10.052.679
Debet to credit institutions		134	109
Trade payables		102.635	212.050
Tax payables		3.379.660	2.636.233
Other payables		456.827	56.843
Short-term liabilities other than provisions		3.939.256	2.905.234
Liabilities other than provisions within the business		3.939.256	2.905.234
Liabilities and equity		1.389.922	1.458.172
Uncertainties relating to going concern	2		
Contingent liabilities	3		
Collaterals and assets pledges as security	4		

DANMAGI GROUP ApS

Statement of changes in Equity

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2022	58.355.239	43.823.643	-113.678.623	-11.499.741
Increase of capital	4.783.692	4.402.895	0	9.186.587
Profit (loss)	0	0	-2.725.851	-2.725.851
Equity 31 December 2022	63.138.931	48.226.538	-116.404.474	-5.039.005

Notes

	2022	2021
1. Employee benefits expense		
Wages and salaries	1.746.603	1.618.156
Post-employment benefit expense	34.711	26.814
Other employee expense	220.085	258.764
	<u>2.001.399</u>	<u>1.903.734</u>
Average number of employees	<u>3</u>	<u>3</u>

2. Uncertainties relating to going concern

For the year 2022, the Group has incurred a loss and has a significant negative equity. The management is working on various initiatives to restore the equity and ensure sustainable operations in the future.

There is an ongoing dialogue with Vækstfonden (Growth Fund) regarding the repayment of loans in the subsidiary DanMagi ApS, which is intended to be provided by using liquidity from the company's main shareholders, who have indicated their openness to this. Additionally, the management expects - subject to the conclusion of an agreement with Vækstfonden - a capital injection from the parent company in 2023 to cover the outstanding debt recorded in the annual report. These measures are expected to restore the equity.

It is a prerequisite for the company's ongoing operations, including the value of the included assets and liabilities, that the above-mentioned measures are achieved in the subsidiary, allowing the company to meet all its obligations.

At the time of the annual report, the negotiations with Vækstfonden and the final confirmation of additional liquidity are not yet concluded. However, the management considers it highly likely that the negotiations will end positively, with only formalities remaining. As a result, the annual report has been prepared on the going concern principle.

3. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation.

A rental agreement has been entered into, which is extended every year with an annual rent cost of T.kr. 28.

4. Collaterals and securities

The company has issued a support declaration to its subsidiary, Danmagi ApS. The company has expressed its intention to support the future operations and investments and provide the necessary liquidity to ensure that Danmagi can meet its obligations as they fall due. The support declaration is valid until the regular general meeting in 2024.

The company has provided a self-guarantee for the fulfillment of current and future obligations of any kind and for payment, including interest, commission, and expenses to the subsidiary's external lender.

Accounting Policies

Reporting Class

The annual report of DANMAGI GROUP ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost principle.

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised excluding VAT and all discounts granted are recognised in revenue.

Other external expenses

Other external expenses include expenses for distribution, sales, advertising, administration, premises etc.

Staff costs

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

Other staff expenses are recognised in other external expenses.

Accounting Policies

Income from investments in group enterprises and associates

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortization of consolidated goodwill.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable, and surcharges and allowances under the advance-payment of tax scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance sheet

Equity investments in group enterprises and associates

Investments in group enterprises and associates are recognized in the balance sheet at the proportionate share of the equity value of the enterprises, calculated according to the parent Company's accounting policies with the deduction or addition of unrealised intercompany profits or losses and with the addition or deduction of the remaining value of positive or negative goodwill, calculated according to the purchase method.

Subsidiaries having a negative equity value are recognised at kr. 0, and any amounts receivable from those enterprises are written down by the parent Company's share of the negative equity value to the extent that the amounts are deemed to be uncollectible.

If the negative equity value exceeds receivables, the remaining amount is recognised as a provision to the extent that the parent Company has a legal or constructive obligation to cover the negative balance of the relevant subsidiary.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

DANMAGI GROUP ApS

Accounting Policies

Provisions

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the Company has a legal or actual obligation as a result of a past event, and it is likely that settlement will result in the Company spending financial resources.

Provisions are measured at capital value.

Current tax liabilities

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

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Daniel Gilpin Lister

Navnet returneret af dansk MitID var:

Daniel Gilpin Lister

Direktør

ID: 4eec0cfb-4db9-4ee3-99d6-95ffb211ed3f

Tidspunkt for underskrift: 18-07-2023 kl.: 12:38:28

Underskrevet med MitID



Daniel Gilpin Lister

Navnet returneret af dansk MitID var:

Daniel Gilpin Lister

Bestyrelsesmedlem

ID: 4eec0cfb-4db9-4ee3-99d6-95ffb211ed3f

Tidspunkt for underskrift: 18-07-2023 kl.: 12:38:28

Underskrevet med MitID



Keld Friis

Navnet returneret af dansk MitID var:

Keld Friis

Bestyrelsesmedlem

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Tidspunkt for underskrift: 18-07-2023 kl.: 10:52:34

Underskrevet med MitID



Keld Friis

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Keld Friis

Dirigent

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Tidspunkt for underskrift: 18-07-2023 kl.: 10:52:34

Underskrevet med MitID



Alex Rodenberg

Navnet returneret af dansk MitID var:

Alex Rodenberg

Bestyrelsesmedlem

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Tidspunkt for underskrift: 18-07-2023 kl.: 11:21:37

Underskrevet med MitID



Christian Hjortshøj

Navnet returneret af dansk NemID var:

Christian Hjortshøj

Revisor

ID: 73802972

Tidspunkt for underskrift: 18-07-2023 kl.: 18:28:15

Underskrevet med NemID

NEM ID