

Cylindo ApS

Njalsgade 21 F, 6., 2300 København S

Central Business Registration no. 34 47 81 71

**Annual report for the period
1 May 2018 to 30 April 2019**

Adopted at the annual general meeting on 20
September 2019

Janus Bækkelund Jagd
chairman



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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Cylindo ApS for the financial year 1 May 2018 - 30 April 2019.

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

In my opinion, the financial statements give a true and fair view of the company's financial position at 30 April 2019 and of the results of the company's operations for the financial year 1 May 2018 - 30 April 2019.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 11 September 2019

Executive Management

Janus Bækkelund Jagd
Chief Executive Officer

Independent auditor's report

To the shareholders of Cylindo ApS

Opinion

We have audited the financial statements of Cylindo ApS for the financial year 1 May 2018 - 30 April 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 30 April 2019 and of the results of the company's operations for the financial year 1 May 2018 - 30 April 2019 in accordance with the Danish Financial Statements Act.

Basis for Opinion

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

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 the 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.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.
- 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

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 management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 11 September 2019

Baker Tilly Denmark

Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Morten Friis Munksgaard
statsautoriseret revisor
MNE no. mne34482

Company details

The company

Cylindo ApS
Njalsgade 21 F, 6.
2300 København S

CVR no.: 34 47 81 71

Reporting period: 1 May 2018 - 30 April 2019

Incorporated: 12. April 2012

Domicile: Copenhagen

Executive Management

Janus Bækkelund Jagd

Auditors

Baker Tilly Denmark
Godkendt Revisionspartnerselskab
Poul Bundgaards Vej 1, 1.
2500 Valby

Management's review

Business activities

The Company's primary activities are related to development and providing visual content and software as a service to its costumers.

Business review

The company's income statement for the year ended 30. april shows a loss of DKK 4,956,669, and the balance sheet at 30 April 2019 shows equity of DKK 5,356,342.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement

1 May 2018 - 30 April 2019

	Note	2018/19	2017/18
		DKK	DKK
Revenue		20,364,337	15,196,733
Other external costs		-17,467,684	-9,687,345
Gross profit		2,896,653	5,509,388
Staff costs	1	-5,985,090	-750,388
Earnings Before Interest Taxes Depreciation and Amortization		-3,088,437	4,759,000
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-2,657,321	-1,145,751
Profit/loss before financial income and expenses		-5,745,758	3,613,249
Financial income		10,400	0
Financial costs		-589,874	-837,045
Profit/loss before tax		-6,325,232	2,776,204
Tax on profit/loss for the year	2	1,368,563	-382,876
Profit/loss for the year		-4,956,669	2,393,328
 Recommended appropriation of profit/loss			
Reserves, development projects		5,618,470	1,567,800
Retained earnings		-10,575,139	825,528
		-4,956,669	2,393,328

Balance sheet at 30 April 2019

	Note	2018/19	2017/18
		DKK	DKK
Assets			
Completed development projects		11,538,917	4,335,750
Intangible assets	3	11,538,917	4,335,750
Other fixtures and fittings, tools and equipment		2,388,697	2,912,521
Tangible assets	4	2,388,697	2,912,521
Investments in subsidiaries	5	80,000	80,000
Deposits		72,000	45,000
Fixed asset investments		152,000	125,000
Total fixed assets		14,079,614	7,373,271
Trade receivables		4,446,769	3,160,537
Receivables from subsidiaries		665,000	0
Other receivables		235,854	15,000
Corporation tax		2,289,335	265,335
Prepayments		90,000	0
Receivables		7,726,958	3,440,872
Cash at bank and in hand		1,990,628	3,883,982
Current assets total		9,717,586	7,324,854
Assets total		23,797,200	14,698,125

Balance sheet at 30 April 2019

	Note	2018/19	2017/18
		DKK	DKK
Equity and liabilities			
Share capital		117,723	108,643
Reserves, development projects		9,000,355	3,381,885
Retained earnings		-3,761,736	173,531
Total equity		5,356,342	3,664,059
Provision for deferred tax		1,038,313	382,876
Provisions total		1,038,313	382,876
Other credit institutions		3,799,824	3,249,944
Convertible and profit-yielding instruments of debt		166,353	153,575
Other payables		0	290,801
Long-term debt		3,966,177	3,694,320
Short-term part of long-term debt		1,727,000	2,038,890
Prepayments received from customers		9,500,000	3,300,000
Trade payables		224,000	109,699
Payables to subsidiaries		0	233,120
Other payables		1,985,368	1,275,161
Short-term debt		13,436,368	6,956,870
Debt total		17,402,545	10,651,190
Liabilities and equity total		23,797,200	14,698,125
Contingent assets, liabilities and other financial obligations	6		
Mortgages and collateral	7		

Statement of changes in equity

	Share capital	Reserves, development projects	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 May	108,643	3,381,885	173,531	3,664,059
Cash capital increase	12,065	0	7,027,935	7,040,000
Cash capital reduction	-3,649	0	3,649	0
Conversion of debt	664	0	159,836	160,500
Purchase of treasury shares	0	0	-551,548	-551,548
Net profit/loss for the year	0	5,618,470	-10,575,139	-4,956,669
Equity at 30 April	117,723	9,000,355	-3,761,736	5,356,342

Notes

	<u>2018/19</u>	<u>2017/18</u>
	DKK	DKK
1 Staff costs		
Wages and salaries	5,772,045	752,798
Pensions	55,383	0
Other social security costs	94,311	2,209
Other staff costs	63,351	-4,619
	<u>5,985,090</u>	<u>750,388</u>
Average number of employees	<u>7</u>	<u>1</u>
2 Tax on profit/loss for the year		
Current tax for the year	-2,024,000	0
Deferred tax for the year	655,437	382,876
	<u>-1,368,563</u>	<u>382,876</u>

Notes

3 Intangible assets

	Completed development projects <u>DKK</u>
Cost at 1 May	5,384,167
Additions for the year	<u>9,200,000</u>
Cost at 30 April	<u>14,584,167</u>
Impairment losses and amortisation at 1 May	1,048,417
Depreciation for the year	<u>1,996,833</u>
Impairment losses and amortisation at 30 April	<u>3,045,250</u>
Carrying amount at 30 April	<u><u>11,538,917</u></u>

4 Tangible assets

	Other fixtures and fittings, tools and equipment <u>DKK</u>
Cost at 1 May	3,268,272
Additions for the year	<u>136,664</u>
Cost at 30 April	<u>3,404,936</u>
Impairment losses and depreciation at 1 May	355,751
Depreciation for the year	<u>660,488</u>
Impairment losses and depreciation at 30 April	<u>1,016,239</u>
Carrying amount at 30 April	<u><u>2,388,697</u></u>

Notes

	<u>2018/19</u> DKK	<u>2017/18</u> DKK
5 Investments in subsidiaries		
Cost at 1 May	<u>80,000</u>	<u>80,000</u>
Cost at 30 April	<u>80,000</u>	<u>80,000</u>
Carrying amount at 30 April	<u>80,000</u>	<u>80,000</u>

6 Contingent assets, liabilities and other financial obligations

In its capacity as management company, the company is jointly taxed with its Danish group entities and is jointly and severally liable with the other jointly taxed entities for the payment of income taxes and withholding taxes on dividends, interest and royalties.

7 Mortgages and collateral

As security for mortgage debt to Vækstfonden totalling DKK 5.243 thousand, the Company has granted floating charge of DKK 5.850 thousand.

The Company has entered into lease agreements. The lease in the termination periode amounts to DKK 72 thousand.

Accounting policies

The annual report of Cylindo ApS for 2018/19 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 provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, etc.

Accounting policies

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's 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. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development costs and costs relating to rights developed by the company are recognised in the income statement as costs in the year of acquisition. Development costs and costs relating to rights developed by the company is amortised on a straightline basis over its useful life, which is assessed to be 5 years.

Tangible assets

Items of fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment 5 years

Investments in subsidiaries

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Income tax and deferred tax

As management company, Cylindo ApS is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Accounting policies

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.