

**Grit42 A/S**  
Trekronergade 126 F, 3 tv., 2500 Valby

**Company reg. no. 35 63 81 80**

**Annual report**

**1 January - 31 December 2020**

The annual report was submitted and approved by the general meeting on the 19 February 2021.

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**Henrik Frimodt Christensen**  
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

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## **Management's report**

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The board of directors and the managing director have today presented the annual report of Grit42 A/S for the financial year 1 January to 31 December 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2020 and of the company's results of its activities in the financial year 1 January to 31 December 2020.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

Valby, 19 February 2021

### **Managing Director**

Claus Stie Kallesøe

### **Board of directors**

Henrik Frimodt Christensen

Erik Lottrup Thomsen

Claus Stie Kallesøe

Jacob Flemming Hansen

## **Independent auditor's report**

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### **To the shareholders of Grit42 A/S**

#### **Opinion**

We have audited the annual accounts of Grit42 A/S for the financial year 1 January to 31 December 2020, which comprise accounting policies, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **The management's responsibilities for the annual accounts**

Management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

## **Independent auditor's report**

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- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by management and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts 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 the 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 annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

## **Independent auditor's report**

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Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not find any material misstatement in the management's review.

Hillerød, 19 February 2021

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36

### **Claus Koskelin**

State Authorised Public Accountant  
mne30140

## **Company information**

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### **The company**

Grit42 A/S  
Trekronergade 126 F, 3 tv.  
2500 Valby

Company reg. no. 35 63 81 80  
Domicile: Denmark  
Financial year: 1 January - 31 December

### **Board of directors**

Henrik Frimodt Christensen  
Erik Lottrup Thomsen  
Claus Stie Kallesøe  
Jacob Flemming Hansen

### **Managing Director**

Claus Stie Kallesøe

### **Auditors**

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Nordstensvej 11  
3400 Hillerød

## **Management commentary**

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### **The principal activities of the company**

The company's main activity is to conduct software development and service as well as related business.

### **Uncertainties as to recognition or measurement**

There have been no significant uncertainties or unusual circumstances that have affected the recognition or measurement.

### **Development in activities and financial matters**

The company's results and financial development are considered satisfactory.

### **The expected development**

The company expects a positive result for the coming year.

### **Events subsequent to the financial year**

No significant events have occurred after the balance sheet date, which are considered to have a material impact on the assessment of the annual report.

## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Gross profit</b>	<b>7.820.137</b>	<b>5.072.880</b>
1 Staff costs	-4.820.385	-2.126.006
Amortisation and writedown relating to intangible fixed assets	-432.667	-238.000
<b>Operating profit</b>	<b>2.567.085</b>	<b>2.708.874</b>
Other financial income	1.477	28
Other financial costs	-45.273	-15.623
<b>Pre-tax net profit or loss</b>	<b>2.523.289</b>	<b>2.693.279</b>
Tax on ordinary results	-554.721	-597.036
<b>Net profit or loss for the year</b>	<b>1.968.568</b>	<b>2.096.243</b>
<b>Proposed appropriation of net profit:</b>		
Dividend for the financial year	2.000.000	1.200.000
Transferred to retained earnings	0	896.243
Allocated from retained earnings	-31.432	0
<b>Total allocations and transfers</b>	<b>1.968.568</b>	<b>2.096.243</b>

## Statement of financial position at 31 December

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All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2020</u>	<u>2019</u>
<b>Non-current assets</b>		
Completed development projects, including patents and similar rights arising from development projects	1.386.000	1.818.667
Total intangible assets	<u>1.386.000</u>	<u>1.818.667</u>
<b>Total non-current assets</b>	<b><u>1.386.000</u></b>	<b><u>1.818.667</u></b>
<b>Current assets</b>		
Trade debtors	1.280.810	1.383.528
Other receivables	288.128	0
Total receivables	<u>1.568.938</u>	<u>1.383.528</u>
Available funds	<u>4.123.663</u>	<u>3.652.494</u>
<b>Total current assets</b>	<b><u>5.692.601</u></b>	<b><u>5.036.022</u></b>
<b>Total assets</b>	<b><u>7.078.601</u></b>	<b><u>6.854.689</u></b>

## Statement of financial position at 31 December

All amounts in DKK.

<b>Equity and liabilities</b>		<u>2020</u>	<u>2019</u>
<u>Note</u>			
<b>Equity</b>			
Contributed capital		500.000	500.000
Reserve for development expenditure		1.081.080	1.389.960
Results brought forward		1.597.082	1.319.634
Proposed dividend for the financial year		2.000.000	1.200.000
<b>Total equity</b>		<b><u>5.178.162</u></b>	<b><u>4.409.594</u></b>
<b>Provisions</b>			
Provisions for deferred tax		304.920	400.107
<b>Total provisions</b>		<b><u>304.920</u></b>	<b><u>400.107</u></b>
<b>Liabilities other than provisions</b>			
2 Other debts		136.011	38.113
Total long term liabilities other than provisions		<u>136.011</u>	<u>38.113</u>
Bank debts		36.031	18.991
Prepayments received from customers		133.434	1.370.078
Corporate tax		59.753	63.891
Other debts		1.230.290	553.915
Total short term liabilities other than provisions		<u>1.459.508</u>	<u>2.006.875</u>
<b>Total liabilities other than provisions</b>		<b><u>1.595.519</u></b>	<b><u>2.044.988</u></b>
<b>Total equity and liabilities</b>		<b><u>7.078.601</u></b>	<b><u>6.854.689</u></b>

## Accounting policies

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The annual report for Grit42 A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

### Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

## Accounting policies

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### Income statement

#### Gross profit

Gross profit comprises the revenue and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

#### Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

#### Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

## Accounting policies

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### Results from equity investment in

#### Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

### The balance sheet

#### Intangible assets

##### Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 5 years.

##### Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 5 years.

##### Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

#### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

## **Accounting policies**

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In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

### **Available funds**

Available funds comprise cash at bank and in hand.

### **Equity**

#### **Reserve for development costs**

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under equity.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

## **Accounting policies**

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Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

## Notes

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All amounts in DKK.

	<u>2020</u>	<u>2019</u>
<b>1. Staff costs</b>		
Salaries and wages	4.216.790	1.538.832
Pension costs	560.450	544.200
Other costs for social security	43.145	42.974
	<u><b>4.820.385</b></u>	<u><b>2.126.006</b></u>
 Average number of employees	 <u>6</u>	 <u>6</u>
 <b>2. Other debts</b>		
 <b>Other debts in total</b>	 <u><b>136.011</b></u>	 <u><b>38.113</b></u>
 Share of liabilities due after 5 years	 <u>0</u>	 <u>0</u>