

Alencastre.net ApS

Njalsgade 76, 4., 2300 København

Company reg. no. 35 64 34 94

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 25 June 2020.



Ricardo João Farinha de Alencastre
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The managing director has today presented the annual report of Alencastre.net ApS for the financial year 1 January to 31 December 2019.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

The managing director considers the requirements of omission of audit of the annual accounts for 2019 as met.

I am 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.

Copenhagen, 25 June 2020

Managing Director



Ricardo João Farinha de Alencastre

Auditor's report on compilation of the annual accounts

To the management of Alencastre.net ApS

We have compiled the financial statements of Alencastre.net ApS for the financial year 1 January - 31 December 2019 based on the company's bookkeeping and on further information provided by you.

The financial statements comprise the accounting policies, income statement, statement of financial position, statement of changes in equity and notes.

We performed this engagement in accordance with the international standard ISRS 4410 applying to compilation engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us in order to compile the financial statements. Accordingly, we express neither an audit opinion nor a review opinion as to whether the financial statements have been compiled in accordance with the Danish Financial Statements Act.

Copenhagen, 25 June 2020

Grant Thornton

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



Michael Beuchert
State Authorised Public Accountant
mne32794

Company information

The company	Alencastre.net ApS Njalsgade 76, 4. 2300 København
	Company reg. no. 35 64 34 94 Established: 6 January 2014 Financial year: 1 January - 31 December
Managing Director	Ricardo João Farinha de Alencastre
Bankers	Danske Bank
Subsidiary	Brandability ApS, Copenhagen

Management commentary

The principal activities of the company

The Company's purpose is to operate within design, IT development, resell and distribution of software, publishing and marketing services and other hereby related activities.

Unusual matters

No unusual events have occurred during the fiscal year.

Uncertainties as to recognition or measurement

There have been no uncertainties regarding recognition and measurement during the fiscal year.

Development in activities and financial matters

The gross profit for the year is DKK 431.000 against DKK 493.000 last year. The results from ordinary activities after tax are DKK 17.000 against DKK 35.000 last year. The management consider the results satisfactory.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which could change the Company's financial position.

The outbreak of corona virus (COVID-19) presents new challenges and risks for the enterprise. A number of measures have been taken to ensure the health of employees. In connection with the health risks, the outbreak of viruses has led to uncertainty and instability both politically and socially and for the enterprise. Current and any future political and economic measures that may be implemented could cause financial risks related to the enterprise's operations and may possibly limit the enterprise's trading opportunities.

However, the enterprise's current and planned activities do not give rise to particular financial risks, and the company's cash resources are assessed to be adequately hedged.

Accounting policies

The annual report for Alencastre.net ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

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.

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.

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, work performed for own account and capitalised, other operating income, and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Staff costs

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

Accounting policies

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Dividend from equity investment in group enterprise is recognised in the financial year where the dividend is declared.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

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 company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Financial fixed assets

Equity investment in group enterprise

Equity investment in group enterprise is measured at cost. If the recoverable amount is lower than the cost, writedown for impairment is done to match this lower value.

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Work in progress for the account of others

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses.

Accounting policies

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is calculated as the share of costs incurred in proportion to the estimated total costs of the individual contract.

When the sales value of a contract can not be determined reliably, the selling price is measured solely at the costs incurred, or at the net realisable value, if this is lower.

Contracts are recognised as trade debtors if the selling price of the work performed exceeds invoicing on account and expected losses. Contracts are recognised as liabilities if invoicing on account and expected losses exceed the selling price.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Alencastre.net ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Alencastre.net ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK thousand.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross profit	430.763	493
1 Staff costs	-376.197	-425
Operating profit	54.566	68
Other financial income	1.904	1
Other financial costs	-42.306	-38
Pre-tax net profit or loss	14.164	31
2 Tax on ordinary results	2.618	4
Net profit or loss for the year	16.782	35
Proposed appropriation of net profit:		
Transferred to retained earnings	16.782	35
Total allocations and transfers	16.782	35

Statement of financial position at 31 December

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK thousand.

Assets		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Non-current assets		
3		
Equity investment in group enterprise	290.929	251
Deposits	995	78
Total investments	<u>291.924</u>	<u>329</u>
Total non-current assets	<u>291.924</u>	<u>329</u>
Current assets		
Trade debtors	876.841	1.148
4		
Work in progress for the account of others	600.397	566
Receivables from group enterprises	2.618	0
Receivable corporate tax	2.000	2
Other debtors	5.544	21
Accrued income and deferred expenses	1.626	1
Total receivables	<u>1.489.026</u>	<u>1.738</u>
Available funds	<u>122.527</u>	<u>68</u>
Total current assets	<u>1.611.553</u>	<u>1.806</u>
Total assets	<u>1.903.477</u>	<u>2.135</u>

Statement of financial position at 31 December

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK thousand.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity and liabilities		
Equity		
Contributed capital	50.000	50
Results brought forward	76.505	60
Total equity	126.505	110
Liabilities other than provisions		
Debt to shareholders and management	35.221	2
Total long term liabilities other than provisions	35.221	2
Trade creditors	1.732.954	2.007
Other payables	8.797	16
Total short term liabilities other than provisions	1.741.751	2.023
Total liabilities other than provisions	1.776.972	2.025
Total equity and liabilities	1.903.477	2.135

5 Contingencies

Statement of changes in equity

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2018	50	25	75
Profit or loss for the year brought forward	<u>0</u>	<u>35</u>	<u>35</u>
Equity 1 January 2019	50	60	110
Profit or loss for the year brought forward	<u>0</u>	<u>17</u>	<u>17</u>
	<u>50</u>	<u>77</u>	<u>127</u>

Notes

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK thousand.

	<u>2019</u>	<u>2018</u>
1. Staff costs		
Salaries and wages	372.398	418
Other costs for social security	1.893	3
Other staff costs	1.906	4
	<u>376.197</u>	<u>425</u>
Average number of employees	<u>2</u>	<u>2</u>
2. Tax on ordinary results		
Tax of the results for the year, parent company	0	-6
Adjustment of tax for previous years	0	2
Taxation contributions	-2.618	0
	<u>-2.618</u>	<u>-4</u>
The company has an unrecognised tax asset TDKK 120.		
3. Equity investment in group enterprise		
Acquisition sum, opening balance 1 January 2019	250.929	251
Additions during the year	40.000	0
Cost 31 December 2019	<u>290.929</u>	<u>251</u>
Book value 31 December 2019	<u>290.929</u>	<u>251</u>

The financial highlights for the enterprise according to the latest approved annual report

	Share of ownership	Equity DKK	Results for the year DKK	Book value at Alencastre.net ApS DKK
Brandability ApS, Copenhagen	80 %	59.342	9.342	40.000

Notes

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK thousand.

	<u>31/12 2019</u>	<u>31/12 2018</u>
	<u>31/12 2019</u>	<u>31/12 2018</u>
4. Work in progress for the account of others		
Sales value of the production of the period	600.397	566
Work in progress for the account of others, net	<u>600.397</u>	<u>566</u>
The following is recognised:		
Work in progress for the account of others (Current assets)	600.397	566
	<u>600.397</u>	<u>566</u>

5. Contingencies

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.