



Sleeknote ApS

Jens Baggesens Vej 90
8200 Aarhus N
CVR No. 35840699

Annual report 2021

The Annual General Meeting adopted the
annual report on 28.01.2022

Mogens Byskov Møller

Chairman of the General Meeting

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Entity details

Entity

Sleeknote ApS

Jens Baggesens Vej 90

8200 Aarhus N

Business Registration No.: 35840699

Registered office: Aarhus

Financial year: 01.01.2021 - 31.12.2021

Executive Board

Mogens Byskov Møller

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

Statement by Management

The Executive Board has today considered and approved the annual report of Sleeknote ApS for the financial year 01.01.2021 - 31.12.2021.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Aarhus, 28.01.2022

Executive Board

Mogens Byskov Møller

Independent auditor's extended review report

To the shareholders of Sleeknote ApS

Conclusion

We have performed an extended review of the financial statements of Sleeknote ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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 the management commentary.

Aarhus, 28.01.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Mads Fauerskov

State Authorised Public Accountant
Identification No (MNE) mne35428

Management commentary

Primary activities

The company's core business is Conversion Optimization Software, which helps our customers increase interaction with the visitors on their website, and thus experience an increased value from visitors on their Website. The software is delivered as a SaaS solution, which is sold on a subscription basis.

Development in activities and finances

In 2022, the company has high growth in the number of customers and a growth in recurring revenue software sales exceeding 30%. The increased revenue is transferred into growth activities including more employees and increased marketing cost.

An Outbound Sales department has been established during the year in order to strengthen sales efforts. The Outbound team will continuously expand its team size with employees who speak the native languages of the target export markets.

It is the company's ambition to be the market leader, which is why software development is an essential part of the company's activity. The focus is on innovation of usability at a level that enables non-technical marketers to make technically complex conversion optimizations. Optimization of the conversion rate is done by in-depth audience targeting to personalize the purchasing experience for the individual visitor, embedded campaigns that are dynamically adapted or replaced, and performance enhancements to ensure the lowest possible impact on clients' websites. Machine learning is used for automated identification of the most optimal display of campaigns, which is measured by engagement and intrusiveness. Using gamification psychology creates increased commitment from visitors and thus better results for our customers. A proprietary method is being developed where the Software can be integrated with any customer data platform. This is an important innovation to meet the increasing focus on privacy.

The software is used for E-commerce, which has a positive effect on the company in relation to Covid-19. There are a number of customers in the travel and entertainment industry who are negatively affected by Covid-19. The overall assessment is that the net effect has had a positive effect on the year's growth.

The gross profit for the year amounts to DKK 15.452K compared to 12.536K last year. The net result for the year is DKK 1.348K compared to DKK 1.521K last year. The financial year 2022 is in Management's view satisfactory with high growth, expansion initiatives and a positive net result.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		15,523,237	13,112,327
Staff costs	1	(11,360,036)	(9,323,251)
Depreciation, amortisation and impairment losses		(2,563,119)	(1,826,084)
Operating profit/loss		1,600,082	1,962,992
Other financial income		9,762	6,815
Other financial expenses		(236,544)	(365,036)
Profit/loss before tax		1,373,300	1,604,771
Tax on profit/loss for the year	2	(24,877)	(83,319)
Profit/loss for the year		1,348,423	1,521,452
Proposed distribution of profit and loss			
Retained earnings		1,348,423	1,521,452
Proposed distribution of profit and loss		1,348,423	1,521,452

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Completed development projects	4	15,834,172	13,736,330
Acquired intangible assets		177,767	82,950
Goodwill		0	0
Intangible assets	3	16,011,939	13,819,280
Other fixtures and fittings, tools and equipment		373,249	423,947
Property, plant and equipment	5	373,249	423,947
Deposits		196,971	196,971
Financial assets		196,971	196,971
Fixed assets		16,582,159	14,440,198
Trade receivables		1,246,719	1,009,003
Receivables from group enterprises		0	672,993
Other receivables		94,365	83,000
Joint taxation contribution receivable		416,123	505,246
Prepayments		137,289	151,189
Receivables		1,894,496	2,421,431
Cash		3,040,618	1,584,857
Current assets		4,935,114	4,006,288
Assets		21,517,273	18,446,486

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		53,770	53,770
Reserve for development expenditure		11,607,829	9,796,730
Retained earnings		(7,792,928)	(7,330,252)
Equity		3,868,671	2,520,248
Deferred tax		3,457,000	3,016,000
Provisions		3,457,000	3,016,000
Debt to other credit institutions		1,207,834	2,524,798
Other payables		1,102,979	1,102,979
Non-current liabilities other than provisions	6	2,310,813	3,627,777
Current portion of non-current liabilities other than provisions	6	1,523,904	0
Trade payables		730,928	364,062
Other payables	7	2,345,829	3,329,543
Deferred income		7,280,128	5,588,856
Current liabilities other than provisions		11,880,789	9,282,461
Liabilities other than provisions		14,191,602	12,910,238
Equity and liabilities		21,517,273	18,446,486
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Assets charged and collateral	10		

Statement of changes in equity for 2021

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	53,770	9,796,730	(7,330,252)	2,520,248
Transfer to reserves	0	1,811,099	(1,811,099)	0
Profit/loss for the year	0	0	1,348,423	1,348,423
Equity end of year	53,770	11,607,829	(7,792,928)	3,868,671

Notes

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	11,979,701	10,749,698
Pension costs	743,565	711,393
Other staff costs	931,102	561,563
	13,654,368	12,022,654
Staff costs classified as assets	(2,294,332)	(2,699,403)
	11,360,036	9,323,251
Average number of full-time employees	27	22

2 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	(416,123)	(505,246)
Change in deferred tax	441,000	588,565
	24,877	83,319

3 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	17,862,047	101,040	100,000
Additions	4,336,015	161,785	0
Cost end of year	22,198,062	262,825	100,000
Amortisation and impairment losses beginning of year	(4,125,717)	(18,090)	(100,000)
Amortisation for the year	(2,238,173)	(66,968)	0
Amortisation and impairment losses end of year	(6,363,890)	(85,058)	(100,000)
Carrying amount end of year	15,834,172	177,767	0

4 Development projects

Development projects include Software for Conversion Rate Optimization. Projects include embedded campaigns, machine learning for automated identification of the most optimal display of Campaigns, Gamification, audience targeting and integration to customer platforms. The Software is used for E-commerce, a growing industry which has and is expected to generate future revenue for the Company.

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	1,251,444
Additions	207,280
Disposals	(465,658)
Cost end of year	993,066
Depreciation and impairment losses beginning of year	(827,497)
Depreciation for the year	(257,978)
Reversal regarding disposals	465,658
Depreciation and impairment losses end of year	(619,817)
Carrying amount end of year	373,249

6 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due after more than 12 months 2021 DKK
Debt to other credit institutions	1,523,904	1,207,834
Other payables	0	1,102,979
	1,523,904	2,310,813

7 Other payables

	2021 DKK	2020 DKK
VAT and duties	918,683	1,423,085
Wages and salaries, personal income taxes, social security costs, etc payable	968,343	1,577,313
Holiday pay obligation	458,803	329,145
	2,345,829	3,329,543

8 Unrecognised rental and lease commitments

	2021 DKK	2020 DKK
Liabilities under rental or lease agreements until maturity in total	3,176,000	509,000

9 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Sleeknote Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the

withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

10 Assets charged and collateral

As security for debt, a registered corporate mortgage of DKK 6.000K has been secured. The corporate mortgage includes Development projects, Goodwill, Other fixtures and fittings, tools and equipment, Deposits and Trade receivables. The total value of the assets is DKK 17.894

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year with minor reclassifications.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, own work capitalised and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Goodwill**

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in

cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5-10 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	2-5 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

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

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.