



SalamPlanet ApS

Grønningen 23, 1.
1270 Copenhagen
CVR No. 36474106

Annual report 2019

The Annual General Meeting adopted the
annual report on 12.08.2020

Amer Ramzan

Chairman of the General Meeting

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Entity details

Entity

SalamPlanet ApS
Grønningen 23, 1.
1270 Copenhagen

CVR No.: 36474106
Registered office: Copenhagen
Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Mohammad Irfan Goandal, chairman
Hamad Raza
Amer Ramzan

Executive Board

Omair Khan, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P. O. Box 1600
0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of SalamPlanet ApS for the financial year 01.01.2019 - 31.12.2019.

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 Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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

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

Copenhagen, 12.08.2020

Executive Board

Omais Khan
CEO

Board of Directors

Mohammad Irfan Goandal
chairman

Hamad Raza

Amer Ramzan

Independent auditor's report

To the shareholders of SalamPlanet ApS

Report on the audit of the financial statements

Opinion

We have audited the financial statements of SalamPlanet ApS for the financial year 01.01.2019 - 31.12.2019, 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 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 judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent 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 that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion 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 audit 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 audit 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 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 the management commentary.

Violation of company law and similar legislation

In 2018, the company issued a loan to a member of Management in violation with the Danish Companies Act. The loan has been fully repaid during 2019.

Copenhagen, 12.08.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Henrik Wolff Mikkelsen

State Authorised Public Accountant
Identification No (MNE) mne33747

Management commentary

Primary activities

The Company's main activity is to develop and operate social media platforms.

Development in activities and finances

This year, the company generated a loss of DKK 3,147 thousand compared to a loss of DKK 2,762 thousand in 2018.

SalamPlanet is in a phase of accelerating growth, which requires continuous fundraising for sustaining the growth. Our existing investors are committed to supporting our growth directly as well as working closely to secure funding from other external sources.

We have changed our accounting policies for our development costs. As the platform is maturing technologically and accelerating commercially, the development cost will be depreciated over 5 years. The change of policy is applied to development cost since 2015.

Events after the balance sheet date

After the closing of the fiscal year 2019, COVID-19 has had a serious impact on some of the revenue streams, however refocusing on other revenue streams with a targeted effort has started showing effect and we expect to see the other revenue streams support our continuous growth.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		(3,049,652)	(1,757,573)
Staff costs	1	(238,535)	(314,560)
Depreciation, amortisation and impairment losses	2	(1,652,946)	(838,060)
Operating profit/loss		(4,941,133)	(2,910,193)
Other financial income		48,496	820
Other financial expenses		(30,990)	(29,370)
Profit/loss before tax		(4,923,627)	(2,938,743)
Tax on profit/loss for the year		1,776,287	177,223
Profit/loss for the year		(3,147,340)	(2,761,520)
Proposed distribution of profit and loss			
Retained earnings		(3,147,340)	(2,761,520)
Proposed distribution of profit and loss		(3,147,340)	(2,761,520)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	4	7,775,394	3,862,716
Acquired intangible assets		4,034	31,808
Acquired licences		4,729	9,457
Intangible assets	3	7,784,157	3,903,981
Investments in group enterprises		65,662	0
Deposits		31,196	31,196
Other receivables		28	0
Other financial assets	5	96,886	31,196
Fixed assets		7,881,043	3,935,177
Trade receivables		9,369	11,092
Receivables from group enterprises		32,816	0
Other receivables		759,842	390,478
Income tax receivable		1,217,425	575,461
Receivables from owners and management		0	34,463
Prepayments		0	35,063
Receivables		2,019,452	1,046,557
Cash		480,147	1,134,015
Current assets		2,499,599	2,180,572
Assets		10,380,642	6,115,749

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		125,000	95,000
Reserve for development expenditure		6,022,311	2,885,429
Retained earnings		(451,673)	(137,451)
Equity		5,695,638	2,842,978
Deferred tax		290,797	849,797
Provisions		290,797	849,797
Payables to group enterprises		1,000,000	0
Non-current liabilities other than provisions	6	1,000,000	0
Bank loans		82,908	8,988
Trade payables		1,307,975	271,770
Payables to group enterprises		970,000	970,000
Other payables		1,033,324	1,172,216
Current liabilities other than provisions		3,394,207	2,422,974
Liabilities other than provisions		4,394,207	2,422,974
Equity and liabilities		10,380,642	6,115,749
Assets charged and collateral	7		

Statement of changes in equity for 2019

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	95,000	0	(264,940)	(169,940)
Changes in accounting policies	0	2,885,429	127,489	3,012,918
Adjusted equity, beginning of year	95,000	2,885,429	(137,451)	2,842,978
Increase of capital	30,000	0	5,970,000	6,000,000
Transfer to reserves	0	3,136,882	(3,136,882)	0
Profit/loss for the year	0	0	(3,147,340)	(3,147,340)
Equity end of year	125,000	6,022,311	(451,673)	5,695,638

Notes

1 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	161,348	253,816
Pension costs	48,750	0
Other social security costs	9,959	14,223
Other staff costs	18,478	46,521
	238,535	314,560
Number of employees at balance sheet date	1	2

2 Depreciation, amortisation and impairment losses

	2019 DKK	2018 DKK
Amortisation of intangible assets	1,652,946	838,060
	1,652,946	838,060

3 Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Acquired licences DKK
Cost beginning of year	5,335,657	83,322	14,185
Additions	5,533,122	0	0
Cost end of year	10,868,779	83,322	14,185
Amortisation and impairment losses beginning of year	(1,472,941)	(51,514)	(4,728)
Amortisation for the year	(1,620,444)	(27,774)	(4,728)
Amortisation and impairment losses end of year	(3,093,385)	(79,288)	(9,456)
Carrying amount end of year	7,775,394	4,034	4,729

4 Development projects

Development costs relate to further development of the company's social platform. The year's attendance is attribute to labor costs and external consultants. The products are fully developed and management believes that there is a market for the products.

5 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	0	31,196
Additions	65,662	0
Cost end of year	65,662	31,196
Carrying amount end of year	65,662	31,196

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Salam Planet (Private) Limited	Pakistan	Limited	100

6 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK
Payables to group enterprises	1,000,000
	1,000,000

7 Assets charged and collateral

The entity has provided security in the form of deposit of 100k DKK to Danske Bank.

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 certain provisions for reporting class C.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Changes in accounting policies

Applied accounting policies have been changed for the following items, which has resulted in a change of comparison figures:

- Development costs are capitalized as intangible asset.

As a consequence of above, the comparison figures for 2018 have been changed compared to the previously filed report as follows:

Results for the year

2018 as previously filed - 4,173,457 DKK

Change, new practice -1,411,937 DKK

2018 comparison figures, new practice -2,761,520 DKK

Shareholders equity, at the beginning of the year

2018 as previously filed -169,940 DKK

Change, new practice 3,012,918 DKK

2018 comparison figures, new practice + 2,842,978 DKK

Further than the change described above, the accounting policies applied.

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 helping material 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.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for stationery and office supplies.

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 dividends etc received on other investments, 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, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies 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.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise intellectual property and acquired intellectual property rights.

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 under 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.

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 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.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments 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.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

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

Cash

Cash comprises cash in hand and 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. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

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.