

House of Control Denmark A/S

Hovedvejen 3, 1. sal, 2600 Glostrup

Company reg. no. 36 50 68 22

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 5 February 2020.

Lars Hoffmann
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 board of directors and the managing director have today presented the annual report of House of Control Denmark A/S for the financial year 1 January to 31 December 2019.

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 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

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

The annual report is recommended for approval by the general meeting.

Glostrup, 24 January 2020

Managing Director

Lars Hoffmann

Board of directors

Lasse Sten

Stian Fladby

Carl Fabian Flaaten

Independent auditor's report

To the shareholder of House of Control Denmark A/S

Opinion

We have audited the annual accounts of House of Control Denmark A/S for the financial year 1 January to 31 December 2019, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity 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 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 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

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The 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, the 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 the 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.

Independent auditor's report

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:

- 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 the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the 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

The 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.

Independent auditor's report

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.

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.

Aarhus, 24 January 2020

Redmark

State Authorised Public Accountants
Company reg. no. 29 44 27 89

Jakob Westerdahl

State Authorised Public Accountant
mne31449

Company data

The company	House of Control Denmark A/S Hovedvejen 3, 1. sal 2600 Glostrup
	Phone 71992275
	Web site www.houseofcontrol.dk
	Company reg. no. 36 50 68 22
	Established: 22 January 2015
	Domicile: Glostrup
	Financial year: 1 January - 31 December 5th financial year
Board of directors	Lasse Sten Stian Fladby Carl Fabian Flaaten
Managing Director	Lars Hoffmann
Auditors	Redmark Statsautoriseret Revisionspartnerselskab Sommervej 31C 8210 Aarhus V
Parent company	House of Control Group AS, Norge

Management's review

The principal activities of the company

The purpose of the company is sale and delivery of IT programs and services.

Development in activities and financial matters

The gross profit for the year is DKK 722.683 against DKK 428.694 last year. The results from ordinary activities after tax are DKK -3.540.927 against DKK -2.554.598 last year. The management consider the results not to be satisfying, but expected.

The company are investing in facilities, resources and market build up. The company provides access to an IT tool and services via subscription, and have during the financial year entered long-term contracts with a number of significant customers, which secure a fixed income in the coming financial year.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross profit	722.683	428.694
1 Staff costs	-4.143.155	-3.193.463
Depreciation and writedown relating to tangible fixed assets	-115.064	-3.287
Operating profit	-3.535.536	-2.768.056
Other financial income	0	217.712
Other financial costs	-5.391	-4.254
Results before tax	-3.540.927	-2.554.598
Tax on ordinary results	0	0
Results for the year	-3.540.927	-2.554.598
 Proposed distribution of the results:		
Allocated from results brought forward	-3.540.927	-2.554.598
Distribution in total	-3.540.927	-2.554.598

Balance sheet 31 December

All amounts in DKK.

Assets		<u>2019</u>	<u>2018</u>
<u>Note</u>			
Fixed assets			
2	Other plants, operating assets, and fixtures and furniture	<u>454.775</u>	<u>50.958</u>
	Tangible fixed assets in total	<u>454.775</u>	<u>50.958</u>
	Deposits	<u>121.843</u>	<u>138.034</u>
	Financial fixed assets in total	<u>121.843</u>	<u>138.034</u>
	Fixed assets in total	<u>576.618</u>	<u>188.992</u>
Current assets			
	Trade debtors	1.018.785	871.303
	Amounts owed by group enterprises	2.421.251	16.879
	Accrued income and deferred expenses	<u>777.521</u>	<u>557.089</u>
	Debtors in total	<u>4.217.557</u>	<u>1.445.271</u>
	Available funds	<u>1.039.531</u>	<u>468.081</u>
	Current assets in total	<u>5.257.088</u>	<u>1.913.352</u>
	Assets in total	<u>5.833.706</u>	<u>2.102.344</u>

Balance sheet 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity and liabilities		
Equity		
Contributed capital	700.000	600.000
Results brought forward	1.240.262	-2.118.811
Equity in total	1.940.262	-1.518.811
Liabilities		
3 Other debts	170.318	0
Long-term liabilities in total	170.318	0
Bank debts	35.666	28.501
Prepayments received from customers	2.648.234	1.898.194
Trade creditors	63.829	77.120
Debt to group enterprises	0	833.327
Other debts	975.397	784.013
Short-term liabilities in total	3.723.126	3.621.155
Liabilities in total	3.893.444	3.621.155
Equity and liabilities in total	5.833.706	2.102.344
4 Mortgage and securities		
5 Contingencies		

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Results brought forward	In total
Equity 1 January 2018	500.000	-3.497.776	-2.997.776
Cash capital increase	100.000	3.933.563	4.033.563
Profit or loss for the year brought forward	0	-2.554.598	-2.554.598
Equity 1 January 2019	600.000	-2.118.811	-1.518.811
Cash capital increase	100.000	6.900.000	7.000.000
Profit or loss for the year brought forward	0	-3.540.927	-3.540.927
	700.000	1.240.262	1.940.262

Notes

All amounts in DKK.

	<u>2019</u>	<u>2018</u>
1. Staff costs		
Salaries and wages	3.659.131	2.872.095
Pension costs	432.824	290.215
Other costs for social security	<u>51.200</u>	<u>31.153</u>
	<u>4.143.155</u>	<u>3.193.463</u>
Average number of employees	<u>7</u>	<u>5</u>
	 <u>31/12 2019</u>	 <u>31/12 2018</u>
2. Other plants, operating assets, and fixtures and furniture		
Cost 1 January 2019	56.437	16.437
Additions during the year	<u>518.881</u>	<u>40.000</u>
Cost 31 December 2019	<u>575.318</u>	<u>56.437</u>
Depreciation and writedown 1 January 2019	-5.479	-2.192
Depreciation for the year	<u>-115.064</u>	<u>-3.287</u>
Depreciation and writedown 31 December 2019	<u>-120.543</u>	<u>-5.479</u>
Book value 31 December 2019	<u>454.775</u>	<u>50.958</u>
3. Other debts		
Holiday pay obligation	<u>170.318</u>	<u>0</u>
	<u>170.318</u>	<u>0</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>
4. Mortgage and securities		
The company has no pledge or collateral at 31 December 2019		

Notes

All amounts in DKK.

5. Contingencies

Contingent assets

The company has a deferred tax asset of DKK 2.106.924. The asset is not recognized in the balance sheet as it is uncertain, whether the deferred tax asset can be utilized within a shorter number of years.

Contingent liabilities

Rental obligation for commercial premises amounts to DKK 454.000 excl. VAT. The lease is irrevocable for 30,5 months.

Accounting policies used

The annual report for House of Control Denmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Translation of foreign currency

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.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, cost of sales, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs of commission.

Other external costs comprise costs for distribution, sales, advertisement, administration, and premises.

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.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Accounting policies used

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

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture	5 years
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Leases

At the first recognition in the balance sheet, leases concerning tangible fixed assets by which the company holds all essential risks and advantages attached to the proprietary right (finance lease) are measured either at fair value or at the present value of the future lease payments, whichever value is lower. When calculating the present value, the internal interest rate of the lease or alternatively the borrowing rate of the enterprise is used as discount rate. Afterwards, assets held under a finance lease are treated in the same way as other similar tangible assets.

The capitalised residual lease commitment is recognised in the balance sheet as a liability, and the interest part of the lease is recognised in the profit and loss account over the term of the contract.

Other leases are regarded as operating leases. Payments in connection with operating leases and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operating leases and rental agreements are recognised under contingencies etc.

Accounting policies used

Writedown of fixed assets

The book values of 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 takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist.

Financial fixed assets

Deposits

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

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

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.

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

Deferred tax assets, including the tax value of tax losses eligible for carry-over, 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.

Accounting policies used

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.