

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 2020

The annual report was submitted and approved by the general meeting on the 25 January 2021.

Lars Hoffmann
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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

Today, the board of directors and the managing director have presented the annual report of House of Control Denmark A/S for the financial year 1 January - 31 December 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January – 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Glostrup, 25 January 2021

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 financial statements of House of Control Denmark A/S for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 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 section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a 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 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 company'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 company 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 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 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.

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 judgment 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 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 and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on 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 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and contents of the financial statements, including disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Aarhus, 25 January 2021

Redmark

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

Jakob Westerdahl

State Authorised Public Accountant
mne31449

Company information

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 6th 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 commentary

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 totals DKK 2.376.759 against DKK 722.683 last year. Income or loss from ordinary activities after tax totals DKK -2.978.726 against DKK -3.540.927 last year. Management considers the net loss for the year not to be satisfactory, 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

The company have lost all its equity, The parent company has signed a letter of support stating that the parent company will provide the necessary financial support. House of Control Denmark A/S will hereby have the necessary funds for the next year's operation and will be able to pay it's liabilities when they are due. It's our opinion that there are no uncertainty related to going concern.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross profit	2.376.759	722.683
2 Staff costs	-5.228.479	-4.143.155
Depreciation and impairment of property, land, and equipment	-115.064	-115.064
Operating profit	-2.966.784	-3.535.536
Other financial costs	-11.942	-5.391
Pre-tax net profit or loss	-2.978.726	-3.540.927
Tax on ordinary results	0	0
Net profit or loss for the year	-2.978.726	-3.540.927
Proposed appropriation of net profit:		
Allocated from retained earnings	-2.978.726	-3.540.927
Total allocations and transfers	-2.978.726	-3.540.927

Statement of financial position at 31 December

All amounts in DKK.

Assets		<u>2020</u>	<u>2019</u>
<u>Note</u>			
Non-current assets			
3	Other fixtures and fittings, tools and equipment	<u>339.711</u>	<u>454.775</u>
	Total property, plant, and equipment	<u>339.711</u>	<u>454.775</u>
4	Deposits	<u>128.232</u>	<u>121.843</u>
	Total investments	<u>128.232</u>	<u>121.843</u>
	Total non-current assets	<u>467.943</u>	<u>576.618</u>
Current assets			
	Trade receivables	1.008.073	1.018.785
	Receivables from group enterprises	1.148.376	2.421.251
	Prepayments and accrued income	<u>1.069.550</u>	<u>777.521</u>
	Total receivables	<u>3.225.999</u>	<u>4.217.557</u>
	Cash on hand and demand deposits	<u>1.009.827</u>	<u>1.039.531</u>
	Total current assets	<u>4.235.826</u>	<u>5.257.088</u>
	Total assets	<u>4.703.769</u>	<u>5.833.706</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		<u>2020</u>	<u>2019</u>
<u>Note</u>			
Equity			
Contributed capital		700.000	700.000
Results brought forward		-1.738.464	1.240.262
Total equity		<u>-1.038.464</u>	<u>1.940.262</u>
Liabilities other than provisions			
5 Other payables		<u>0</u>	<u>170.318</u>
Total long term liabilities other than provisions		<u>0</u>	<u>170.318</u>
Bank loans		32.575	35.666
Prepayments received from customers		3.688.378	2.648.234
Trade payables		20.938	63.829
Other payables		<u>2.000.342</u>	<u>975.397</u>
Total short term liabilities other than provisions		<u>5.742.233</u>	<u>3.723.126</u>
Total liabilities other than provisions		<u>5.742.233</u>	<u>3.893.444</u>
Total equity and liabilities		<u>4.703.769</u>	<u>5.833.706</u>

1 Uncertainties concerning the enterprise's ability to continue as a going concern

6 Mortgage and securities

7 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Retained earnings	Total
	<u> </u>	<u> </u>	<u> </u>
Equity 1 January 2019	600.000	-2.118.811	-1.518.811
Cash capital increase	100.000	0	100.000
Profit or loss for the year brought forward	0	-3.540.927	-3.540.927
Transferred from share premium account	0	6.900.000	6.900.000
Equity 1 January 2020	<u>700.000</u>	<u>1.240.262</u>	<u>1.940.262</u>
Profit or loss for the year brought forward	0	-2.978.726	-2.978.726
	<u>700.000</u>	<u>-1.738.464</u>	<u>-1.038.464</u>

Notes

All amounts in DKK.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

The company have lost all its equity. The parent company has signed a letter of subordination stating that the parent company will provide the necessary financial support. House of Control Denmark A/S will hereby have the necessary funds for the next year's operation and will be able to pay it's liabilities when they are due. It's our opinion that there are no uncertainty related to going concern.

	<u>2020</u>	<u>2019</u>
2. Staff costs		
Salaries and wages	4.629.140	3.659.131
Pension costs	545.349	432.824
Other costs for social security	<u>53.990</u>	<u>51.200</u>
	<u>5.228.479</u>	<u>4.143.155</u>
Average number of employees	<u>8</u>	<u>7</u>
3. Other fixtures and fittings, tools and equipment		
Cost 1 January 2020	575.318	56.437
Additions during the year	<u>0</u>	<u>518.881</u>
Cost 31 December 2020	<u>575.318</u>	<u>575.318</u>
Depreciation and writedown 1 January 2020	-120.543	-5.479
Depreciation for the year	<u>-115.064</u>	<u>-115.064</u>
Depreciation and writedown 31 December 2020	<u>-235.607</u>	<u>-120.543</u>
Carrying amount, 31 December 2020	<u>339.711</u>	<u>454.775</u>
4. Deposits		
Cost 1 January 2020	121.843	23.493
Additions during the year	<u>6.389</u>	<u>98.350</u>
Cost 31 December 2020	<u>128.232</u>	<u>121.843</u>
Carrying amount, 31 December 2020	<u>128.232</u>	<u>121.843</u>

Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
5. Other payables		
Total other payables	170.318	170.318
Share of amount due within 1 year	<u>-170.318</u>	<u>0</u>
Total other payables	<u>0</u>	<u>170.318</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

6. Mortgage and securities

For group loans, the company has provided company pledge of DKK 1.475.000, representing a nominal value of DKK 1.347.784. The Company charge comprises the following assets, whose carrying amount on the balance sheet date is:

	<u>DKK in thousands</u>
Fixtures and fittings, tools and equipment	339.711
Trade receivables	1.008.073

7. Contingencies

Contingent assets

The company has a deferred tax asset of DKK 2.760.551. 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 275.000 excl. VAT. The lease is irrevocable for 18,5 months.

Accounting policies

The annual report for House of Control Denmark A/S 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.

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.

Income statement

Gross profit

The gross profit comprises the net turnover, cost of sales, 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 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 social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

Statement of financial position

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less 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 carrying amount, the depreciation is discontinued.

The cost comprises acquisition cost and costs directly associated with 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, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	5 years

Leases

At their initial recognition in the statement of financial position, leases concerning property, plant, and equipment where the company holds all essential risks and advantages associated with 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 discount rate used is the internal rate of return of the lease or, alternatively, the borrowing rate of the enterprise. Hereafter, assets held under a finance lease are treated in the same way as other similar property, plant, and equipment.

The capitalised residual lease commitment is recognised in the statement of financial position as a liability other than provisions, and the interest part of the lease is recognised in the income statement for the term of the contract.

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The company's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount 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.

Accounting policies

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.

Investments

Deposits

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

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value. In order to meet expected losses, impairment takes place at the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

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

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

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