

House of Control Denmark A/S

Hovedvejen 3, 1. sal, 2600 Glostrup

Company reg. no. 36 50 68 22

Annual report

2021

The annual report was submitted and approved by the general meeting on the 17 February 2022.

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 statement

Today, the Board of Directors and the Managing Director have approved the annual report of House of Control Denmark A/S for the financial year 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Glostrup, 17 February 2022

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 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies,, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We are independent of the Company 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 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 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 in preparing the financial statements 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 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 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 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 the disclosures, 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Aarhus, 17 February 2022

Redmark

Godkendt Revisionspartnerselskab
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 7th financial year
Board of directors	Lasse Sten Stian Fladby Carl Fabian Flaaten
Managing Director	Lars Hoffmann
Auditors	Redmark Godkendt 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 totals DKK 6.726.113 against DKK 2.376.759 last year. Income or loss from ordinary activities after tax totals DKK 371.991 against DKK -2.978.726 last year. Management considers the net profit for the year satisfactory.

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>2021</u>	<u>2020</u>
Gross profit	6.726.113	2.376.759
2 Staff costs	-6.171.258	-5.228.479
Depreciation and impairment of property, land, and equipment	-115.067	-115.064
Operating profit	439.788	-2.966.784
Other financial income	3.647	0
3 Other financial costs	-71.444	-11.942
Pre-tax net profit or loss	371.991	-2.978.726
Net profit or loss for the year	371.991	-2.978.726
Proposed appropriation of net profit:		
Transferred to retained earnings	371.991	0
Allocated from retained earnings	0	-2.978.726
Total allocations and transfers	371.991	-2.978.726

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
4 Other fixtures and fittings, tools and equipment	224.644	339.711
Total property, plant, and equipment	<u>224.644</u>	<u>339.711</u>
5 Deposits	130.992	128.232
Total investments	<u>130.992</u>	<u>128.232</u>
Total non-current assets	<u>355.636</u>	<u>467.943</u>
Current assets		
Trade receivables	2.099.754	1.008.073
Receivables from group enterprises	0	1.148.376
Prepayments and accrued income	1.671.056	1.069.550
Total receivables	<u>3.770.810</u>	<u>3.225.999</u>
Cash on hand and demand deposits	<u>2.535.263</u>	<u>1.009.827</u>
Total current assets	<u>6.306.073</u>	<u>4.235.826</u>
Total assets	<u>6.661.709</u>	<u>4.703.769</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity		
Contributed capital	700.000	700.000
Results brought forward	-1.366.473	-1.738.464
Total equity	-666.473	-1.038.464
Long term liabilities other than provisions		
Bank loans	61.417	32.575
Prepayments received from customers	4.833.042	3.688.378
Trade payables	67.237	20.938
Payables to group entities	990.152	0
Other payables	1.376.334	2.000.342
Total short term liabilities other than provisions	7.328.182	5.742.233
Total liabilities other than provisions	7.328.182	5.742.233
Total equity and liabilities	6.661.709	4.703.769

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.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	700.000	1.240.262	1.940.262
Profit or loss for the year brought forward	<u>0</u>	<u>-2.978.726</u>	<u>-2.978.726</u>
Equity 1 January 2021	700.000	-1.738.464	-1.038.464
Profit or loss for the year brought forward	<u>0</u>	<u>371.991</u>	<u>371.991</u>
	<u>700.000</u>	<u>-1.366.473</u>	<u>-666.473</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>2021</u>	<u>2020</u>
2. Staff costs		
Salaries and wages	5.447.138	4.629.140
Pension costs	639.375	545.349
Other costs for social security	<u>84.745</u>	<u>53.990</u>
	<u>6.171.258</u>	<u>5.228.479</u>
Average number of employees	<u>10</u>	<u>8</u>
3. Other financial costs		
Financial costs, group enterprises	60.102	0
Other financial costs	<u>11.342</u>	<u>11.942</u>
	<u>71.444</u>	<u>11.942</u>
4. Other fixtures and fittings, tools and equipment		
Cost 1 January 2021	<u>575.318</u>	<u>575.318</u>
Cost 31 December 2021	<u>575.318</u>	<u>575.318</u>
Depreciation and writedown 1 January 2021	-235.607	-120.543
Depreciation for the year	<u>-115.067</u>	<u>-115.064</u>
Depreciation and writedown 31 December 2021	<u>-350.674</u>	<u>-235.607</u>
Carrying amount, 31 December 2021	<u>224.644</u>	<u>339.711</u>

Notes

All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
5. Deposits		
Cost 1 January 2021	0	121.843
Additions during the year	<u>130.992</u>	<u>6.389</u>
Cost 31 December 2021	<u>130.992</u>	<u>128.232</u>
Carrying amount, 31 December 2021	<u>130.992</u>	<u>128.232</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 2.324.398. 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	224.644
Trade receivables	2.099.754

Notes

All amounts in DKK.

7. Contingencies

Contingent assets

The company has a deferred tax asset of DKK 2.678.050. 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 300.000 excl. VAT. The lease is irrevocable for 6,5 months.

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, from and including november 1st 2021 and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, from and including november 1st 2021 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.

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

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 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.

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

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.

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.

Accounting policies

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

As administration company, House of Control Denmark A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

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.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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.