

Advania Danmark A/S

Landgreven 3 st.th.
1301 København K

CVR no. 36 71 51 03

Annual report 2019

The annual report was presented and approved at the
Company's annual general meeting on

29 May 2020



chairman

Advania Danmark A/S
Annual report 2019
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Statement by the Board of Directors and the Executive Board

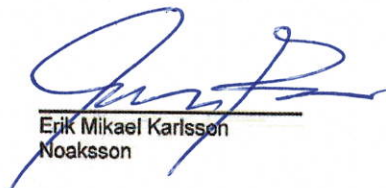
The Board of Directors and the Executive Board have today discussed and approved the annual report of Advania Danmark A/S for the financial year 1 January – 31 December 2019.

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

In our opinion, the financial statements 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 – 31 December 2019.

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

Copenhagen, 29 May 2020
Executive Board:



Erik Mikael Karlsson
Noaksson

Board of Directors:



Gestur Gestsson
Chairman



Erik Mikael Karlsson
Noaksson



Jens Robert Schwartz



Independent auditor's report

To the shareholder of Advania Danmark A/S

Opinion

We have audited the financial statements of Advania Danmark A/S for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet and notes, including 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 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 – 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 (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' 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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.



Independent auditor's report

- 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.

Copenhagen, 29 May 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Henrik Kyhnauv
State Authorised
Public Accountant
mne40028

Advania Danmark A/S
Annual report 2019
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Company details

Advania Danmark A/S
Landgreven 3 st. th
1301 København K

CVR no.:	36 71 51 03
Established:	14 April 2015
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Board of Directors

Gestur Gestsson, Chairman
Erik Mikael Karlsson Noaksson
Jens Robert Schwartz

Executive Board

Erik Mikael Karlsson Noaksson

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

Annual general meeting

The annual general meeting will be held on 29 May 2020 at the Company's address.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2019	2018
Gross loss		-376,631	-520,717
Staff costs	2	-1,819,512	-308,155
Operating loss		-2,196,143	-828,872
Financial income		124,503	185,879
Financial expenses	3	-50,077	-234,512
Loss before tax		-2,121,717	-877,505
Tax on profit/loss for the year		0	0
Loss for the year		-2,121,717	-877,505
Proposed distribution of loss			
Retained earnings		-2,121,717	-877,505
		-2,121,717	-877,505

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	<u>31/12 2019</u>	<u>31/12 2018</u>
ASSETS			
Fixed assets			
Investments			
Deposits		<u>30,900</u>	<u>30,900</u>
Total fixed assets		<u>30,900</u>	<u>30,900</u>
Current assets			
Receivables			
Trade receivables		55,286	9,948
Other receivables		<u>42,388</u>	<u>24,092</u>
		<u>97,674</u>	<u>34,040</u>
Cash at bank and in hand		<u>207,105</u>	<u>137,190</u>
Total current assets		<u>304,779</u>	<u>171,230</u>
TOTAL ASSETS		<u><u>335,679</u></u>	<u><u>202,130</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2019	31/12 2018
EQUITY AND LIABILITIES			
Equity	4		
Contributed capital		500,000	500,000
Other reserves		5,000,000	1,000,000
Retained earnings		-6,124,150	-4,002,436
Total equity		<u>-624,150</u>	<u>-2,502,436</u>
Liabilities			
Current liabilities			
Bank debt		645,225	426,348
Trade payables		32,166	5,400
Payables to group entities		96,658	2,168,816
Other payables		180,589	104,002
Deferred income		5,191	0
		<u>959,829</u>	<u>2,704,566</u>
Total liabilities		<u>959,829</u>	<u>2,704,566</u>
TOTAL EQUITY AND LIABILITIES		<u><u>335,679</u></u>	<u><u>202,130</u></u>
Accounting policies	1		
Contractual obligations, contingencies, etc.	5		
Related party disclosures	6		

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Advania Danmark A/S for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Principal activities

The company's purpose is to offer complete solutions in the form of high-quality services and market leading products in IT.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue comprises fee income from sale of services, which is recognised in the income statement as production takes place and accordingly corresponds to the selling price of the work performed for the year. Revenue corresponds to the selling price excluding VAT of the work performed under the percentage of completion method.

Gross profit/loss

The Company refers to the regulations of section 32 of the Danish Financial Statements Act according to which the Company's revenue is not stated.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees excluding refunds from public authorities.

Financial statements 1 January – 31 December

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1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Investments

Deposits are recognised at amortised cost.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value.

The value is reduced by write-downs to meet expected losses.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 January – 31 December

Notes

2 Staff costs

DKK	2019	2018
Wages and salaries	1,640,906	300,783
Pensions	107,903	0
Other social security costs	9,597	1,468
Other staff costs	61,106	5,904
	<u>1,819,512</u>	<u>308,155</u>
Average number of full-time employees	<u>2</u>	<u>1</u>

3 Financial expenses

DKK	2019	2018
Financial expenses		
Interest expense to group entities	16,130	44,607
	<u>50,077</u>	<u>234,512</u>

4 Equity

DKK	Contributed capital	Other reserves	Retained earnings	Total
Equity at 1 January 2019	500,000	1,000,000	-4,002,434	-2,502,434
Shareholder contribution	0	4,000,000	0	4,000,000
Result for the year	0	0	-2,121,717	-2,121,717
Equity at 31 December 2019	<u>500,000</u>	<u>5,000,000</u>	<u>-6,124,151</u>	<u>-624,151</u>

The Company has lost more than 50% of the share capital and is therefore covered by the rules on capital losses in the Danish Companies Act (Selskabsloven). Management expects that the equity will be reestablished in the coming year by shareholder contribution from Advania Holding A/S.

Advania Danmark A/S has received a letter of support from the parent company Advania AB in which it is confirmed that the parent company intends to add additional capital on market terms in the coming year, including ensuring the necessary cash resources to reestablish the capital loss.

5 Contractual obligations, contingencies, etc.

Leasing obligations pertain to a rental agreement. Total future lease payments:

DKK	2019	2018
Within 1 year	36,900	36,900

The entity participates in a Danish joint taxation arrangement with the parent company, Advania Holding A/S, which serves as administration company. The jointly taxed entities have joint and several unlimited liability for Danish income taxes and withholding taxes on dividends, interest and royalties within the group of jointly taxed entities.

Financial statements 1 January – 31 December

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6 Related party disclosures

Advania A/S' related parties comprise the following:

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital:

Advania Holding A/S

Landgreven 3, st. th.
1301 København K
Denmark

Advania Holding A/S holds the majority of the share capital in the Company.

Advania Danmark A/S is part of the consolidated financial statements of Advania AB, Fredsborgsgatan 24, Stockholm, Sweden, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of Advania AB can be obtained by contacting the Company.