



Sipato ApS

Njalsgade 76

2300 København S

CVR No. 37378526

Annual Report 2018

3. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 21 March 2019

Martin Potestas
Chairman

Sipato ApS

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Management's Statement

Today, Management has considered and adopted the Annual Report of Sipato ApS for the financial year 1 January 2018 - 31 December 2018.

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 assets, liabilities and financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January 2018 - 31 December 2018.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

København, 21 March 2019

Executive Board

Kåre Gammel Tyroll
Manager

Martin Potestas
Manager

Independent Auditor's Report

To the shareholders of Sipato ApS

Opinion

We have audited the financial statements of Sipato ApS for the financial year 1 January 2018 - 31 December 2018, which comprise an income statement, balance sheet and notes. 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 financial position at 31 December 2018 and of the results of its operations for the financial year 1 January 2018 - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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.

Emphasis of matter in the financial statements

Violation of the Danish Companies Act's rules regarding loans to the management

The company has in contravention of section 210 of the Danish Companies Act 1, granted loans to the company's legal shareholders. The company's management may incur liability for this.

The loans are interest-bearing for 2018 and settled in 2019. Our conclusion is not modified regarding this accounting item and matters .

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 as Management considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

Independent Auditor's Report

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements 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 internal control which we identify during our audit.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

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

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Independent Auditor's Report

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Brøndby, 21 March 2019

TimeVision Godkendt Revisionspartnerselskab

CVR-no. 38267132

Johnny Miltoft

Registered Public Accountant

mne6376

Sipato ApS

Company details

Company	Sipato ApS Njalsgade 76 2300 København S
CVR No.	37378526
Date of formation	15 January 2016
Registered office	København
Financial year	1 January 2018 - 31 December 2018
Executive Board	Kåre Gammel Tyroll, Manager Martin Potestas, Manager
Auditors	TimeVision Godkendt Revisionspartnerselskab Park Allé 295 2605 Brøndby CVR-no.: 38267132

Management's Review

The Company's principal activities

The Company's principal activities consist of IT consulting, software development as well as developing data processing system and thereby related businessactivities.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2018 - 31 December 2018 shows a result of DKK 454.830 and the Balance Sheet at 31 December 2018 a balance sheet total of DKK 1.068.721 and an equity of DKK 264.915.

As per 31. december 2018 the company has DKK 28.716 has receivables from the management. The receivables are calculated with an interest rate on 10,05 percent according to current legislation.

The receivables are paid out in the financial year 2019.

Regarding the violation of the Danish Companies Act

As economic advisor to Sipato ApS, Azets have advised Sipato's owners to withdraw money from Sipato back to the holding companies Tyroll Holding ApS and Potestas Holding ApS.

However, we (Azets) made an wrong calculation putting the holding companies in violation of the Danish Companies Act's rules regarding loans to the management.

As soon as we discovered the error, we contacted Sipato, who immediately returned the money from the holding companies to Sipato.

The management can present a letter from Azets stating this fact on request.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The Annual Report of Sipato ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The company has changed the comparative figures in respect of the share premium at issue and receivables from business participants and management respectively.

The correction has affected the equity and receivables from company participants and management with DKK 50.000.

Apart from this, the accounting policies are unchanged compared to previous years.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit includes revenue, raw materials and consumables and other external expenses.

Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably.

Income from delivery of services is recognised as revenue as the service is delivered.

The revenue is calculated exclusive of VAT, charges and discounts.

Raw materials and consumables

Costs for raw materials and consumables comprise purchase of goods and services for resale.

Other external expenses

Other external expenses comprise expenses regarding sale, premises and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Other fixtures and fittings, tools and equipment	5 years	10%

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year.

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

Financial expenses

Financial expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial expenses include interest expenses, realised and unrealised capital gains and losses regarding debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

Accounting Policies

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

An impairment test of tangible assets is performed in the event of indications of a decrease in value. The impairment test is performed for each individual asset and group of assets, respectively. The assets are written down to the higher of the asset's or asset group's value in use and the net selling price (recoverable amount) in the event that this one is lower than the carrying amount.

Other investments

Other investments are measured at cost.

Supply of services in progress

Supply of services in progress is measured at the selling price of the work performed. The stage of completion is determined on the basis of direct and indirect costs incurred in relation to expected total costs.

The value of the individual supplies in progress less invoicing on account is classified as receivables if the amounts are positive and as payables if the amounts are negative.

Deduction for loss is determined as the total expected contract loss, irrespective of the share actually performed.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Equity

Proposed dividend for the year is recognised as a separate item in equity.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities

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

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Accounting Policies

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2018 kr.	2017 kr.
Gross profit		2.117.963	386.385
Employee benefits expense	1	-1.518.020	-200.379
Depreciation, amortisation expense and impairment losses of property, plant and equipment recognised in profit or loss		-7.300	-77
Profit from ordinary operating activities		592.643	185.929
Finance income		2.725	0
Finance expences		-5.076	-2.731
Profit from ordinary activities before tax		590.292	183.198
Tax expense on ordinary activities		-135.462	-40.433
Profit		454.830	142.765
Proposed distribution of results			
Proposed dividend recognised in equity		180.000	0
Proposed extraordinary dividend recognised in equity		400.000	0
Retained earnings		-125.170	142.765
Distribution of profit		454.830	142.765

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Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Assets			
Fixtures, fittings, tools and equipment		63.541	14.258
Property, plant and equipment		63.541	14.258
Deposits, investments		21.675	0
Investments		21.675	0
Fixed assets		85.216	14.258
Short-term trade receivables		314.907	203.802
Contract work in progress		0	112.250
Current deferred tax		199	0
Other short-term receivables		0	18.239
Short-term receivables from owners and management	2	28.716	25.992
Receivables		343.822	360.283
Cash and cash equivalents		639.683	212.777
Current assets		983.505	573.060
Assets		1.068.721	587.318

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Balance Sheet as of 31 December

	Note	2018 kr.	2017 kr.
Liabilities and equity			
Contributed capital		50.000	50.000
Share premium		50.000	50.000
Retained earnings		-15.085	110.085
Proposed dividend recognised in equity		180.000	0
Equity		264.915	210.085
Provisions for deferred tax		0	25.467
Provisions		0	25.467
Debt to banks		84.603	0
Trade payables		69.825	190.680
Tax payables		173.721	7.598
Other payables		460.072	135.871
Payables to shareholders and management		15.585	17.617
Short-term liabilities other than provisions		803.806	351.766
Liabilities other than provisions within the business		803.806	351.766
Liabilities and equity		1.068.721	587.318
Contingent liabilities	3		
Collaterals and assets pledges as security	4		

Notes

	2018	2017
1. Employee benefits expense		
Wages and salaries	1.490.823	199.811
Post-employment benefit expense	22.532	568
Social security contributions	4.665	0
	<u>1.518.020</u>	<u>200.379</u>
Average number of employees	<u>2</u>	<u>1</u>

2. Receivables from owners and management

As per 31. december 2018 the company has DKK 28.716 has receivables from the management. The receivables are calculated with an interest rate on 10,05 percent according to current legislation.

The receivables are paid out in the financial year 2019.

3. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

4. Collaterals and securities

No securities or mortgages exist at the balance sheet date.