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Pingala Middle East ApS

**Vibeholms Allé 20
2605 Brøndby**

CVR no. 38 57 57 67

Annual report 2019/20

The annual report has been presented and approved on the Company's ordinary general meeting on 17 August 2020

Jørn Rejndrup
Chairman of the general meeting

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COMPANY DETAILS

Reporting entity	Pingala Middle East ApS Vibeholms Allé 20 2605 Brøndby
	CVR no.: 38 57 57 67
	Date of foundation: April 18, 2017
	Reporting entity: Brøndby
	Reporting period: 1 July 2019 - 30 June 2020
Board of Directors	Anders Nielsen, chairman Kent Alexandar Marc Højlund Henrik Berg Andersen
Executive Board	Kent Alexandar Marc Højlund
Company auditors	Kallermann Revision A/S - statsautoriseret revisionsfirma Stationspladsen 1 og 3 3000 Helsingør
	CVR no.: 30 19 52 64
Financial institution	Handelsbanken Industrivej 20, 1 th. 4000 Roskilde

STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The Board of Directors and the Executive Board have today considered and approved the annual report for the financial year 1 July 2019 - 30 June 2020 for Pingala Middle East ApS.

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 Company's financial position at 30 June 2020 and of its financial performance for the financial year 1 July 2019 - 30 June 2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Brøndby, 7 August 2020

Executive board

Kent Alexandar Marc Højlund

Board of Directors

Anders Nielsen
chairman

Kent Alexandar Marc Højlund

Henrik Berg Andersen

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Pingala Middle East ApS

Opinion

We have audited the Financial Statements of Pingala Middle East ApS for the financial year 1 July 2019 - 30 June 2020, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity 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 30 June 2020 and of the result of the Company's operations for the financial year 1 July 2019 - 30 June 2020 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.

Material uncertainty concerning going concern

The Company's equity is lost and going concern is described in note 1. We agree with the Management's statement.

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 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 Responsibility 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 of accounting information taken 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 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.

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.

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.

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.

Elsinore, 7 August 2020

Kallermann Revision A/S - statsautoriseret revisionsfirma

CVR no. 30 19 52 64

Peter Kallermann

State Authorized Public Accountant

MNE no.: mne8285

MANAGEMENT'S REVIEW

Primary activities

The Company's purpose is equity investment.

Uncertainty relating to recognition and measurement

The financial report is not affected by uncertainty in recognition and measurement.

Development in activities and finances

The result for the year shows a loss of 458.231 DKK, which is considered to be unsatisfactory. The equity amounts to -1.405.194 DKK at 30 June 2020.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

ANNUAL REPORT

ACCOUNTING POLICIES

This annual report of Pingala Middle East ApS for 2019/20 has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with additional choice of a few rules from class C enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year. The comparative figures comprise the period 18.04.2017 - 30.06.2018, a total of 14 months.

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 recognized in the income statement as financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognized in the income statement as financial income or financial expenses.

Long-term assets purchased in foreign currency are translated at the exchange rate at the transaction date.

INCOME STATEMENT

Revenue

The revenue from service rendered, which comprises service contracts, are recognized on a straight-line basis in the revenue concurrently with delivery of the services, as the services are rendered in the shape of an undefinable number of actions during a specified period of time.

Revenue is measured to fair value of the agreed fee ex. VAT and taxes charged on behalf of third parties. All discounts granted in connection with the sale are recognized in the revenue.

Gross profit (loss)

With reference to the Danish Financial Statements Act section 32 revenue with deduction of cost of sales and external cost is condensed into one item called gross profit.

External expenses

Other external expenses comprise expenses for distribution, sale, marketing, bad debts, operational costs etc.

Staff costs

Staff costs comprise salaries and wages including holiday pay and pensions as well as social security costs, etc for the Company's staff. Received compensations from the authorities have been deducted in staff costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

Income tax

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity. The tax share recognized in the income statement, and which is attached to the year's extraordinary result, is attributed hereto, whereas the remaining share is attributed to the year's ordinary result.

ANNUAL REPORT

ACCOUNTING POLICIES

The Company is included in the Danish rules on mandatory joint taxation in Pingala A/S-group's Danish subsidiaries. Subsidiaries are included in the joint taxation from the time they are included in the consolidated accounts and on to the time, when they no longer are part of the consolidated accounts.

On payment of joint taxation contributions, the current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. Companies with tax losses receive joint taxation contributions from other companies that have used the tax losses to reduce their own taxable profit.

BALANCE SHEET

Intangible assets

Development projects

Development costs comprise costs, salaries and amortisation directly or indirectly attributable to the Group's development activities.

Development projects that are clearly defined and identifiable, where the technical utilisation degree, sufficient resources and a potential future market or development opportunities in the Group are evidenced, and where the Group intends to produce, market or use the project, are recognized as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling and administrative expenses and development costs. Other development costs are recognized in the income statement when incurred.

Development costs that are recognized in the balance sheet are measured at the lower of cost less accumulated amortisation and impairment and the recoverable amount.

On the completion of the development projects, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually ten years.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less provisions for bad debts.

Prepayments

Accruals, recognized in short-term assets, comprise costs concerning the following accounting year.

Dividends

Proposed dividends are recognized as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Tax payables and deferred tax

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognized on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income.

Deferred tax is measured on basis of the tax rules and tax rates, which are valid according to the legislation on the balance sheet date, when deferred tax is expected to become actual tax. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

ANNUAL REPORT**ACCOUNTING POLICIES**

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized under other non-current assets at the expected value of their utilisation; 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 and jurisdiction.

Current tax receivable and payable is recognized 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. Allowances under the tax prepayment scheme are included in the income statement as financial items.

Liabilities other than provisions

Financial liabilities are measured at net realisable value.

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INCOME STATEMENT FOR 2019/20

	Notes	2019/20 DKK	2018/19 DKK
Gross profit		14.583.366	10.745.314
Staff costs	2	-15.156.599	-11.286.542
Depreciation, amortisation and impairment losses		-47.431	-26.510
Loss from ordinary operating activities		-620.664	-567.738
Financial income		89.783	223.072
Financial expenses	3	-56.037	-53.715
Loss from ordinary activities before tax		-586.918	-398.381
Tax	4	128.687	86.063
LOSS FOR THE YEAR		-458.231	-312.318
Proposed distribution of results:			
Reserve for development expenditure		-37.431	90.782
Retained earnings		-420.800	-403.100
		-458.231	-312.318

ANNUAL REPORT

BALANCE OF 30 JUNE 2020

	Notes	2019/20 DKK	2018/19 DKK
ASSETS			
Completed development projects		68.351	115.782
Intangible assets	5	68.351	115.782
Long-term tax receivables from group enterprises		118.687	111.063
Deposits		13.875	0
Long-term investments and receivables		132.562	111.063
FIXED ASSETS		200.913	226.845
Trade receivables		4.018.116	3.957.090
Receivables from group enterprises		16.487	16.487
Deferred income assets		0	154.003
Receivables		4.034.603	4.127.580
Cash and cash equivalents		0	0
CURRENT ASSETS		4.034.603	4.127.580
ASSETS		4.235.516	4.354.425
EQUITY AND LIABILITIES			
Contributed capital		50.000	50.000
Reserve for development expenditure		53.351	90.782
Retained earnings		-1.508.545	-1.087.745
EQUITY		-1.405.194	-946.963
Provisions for deferred tax		15.000	25.000
PROVISIONS		15.000	25.000
Debt to banks		174.394	444.340
Trade payables		0	1.890
Payables to group enterprises		4.432.390	4.807.408
Other payables		264.927	22.750
Deferred income		753.999	0
Short-term liabilities other than provisions		5.625.710	5.276.388
LIABILITIES OTHER THAN PROVISIONS		5.625.710	5.276.388
EQUITY AND LIABILITIES		4.235.516	4.354.425
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ANNUAL REPORT

STATEMENT OF CHANGES IN EQUITY FOR 2019/20

	2019/20	2018/19
	DKK	DKK
Contributed capital:		
Capital, 1 July 2019	50.000	50.000
Capital, 30 June 2020	50.000	50.000
Reserve for development expenditure:		
Equity, 1 July 2019	90.782	0
Increase of equity	-37.431	90.782
Equity, 30 June 2020	53.351	90.782
Retained earnings:		
Retained earnings, 1 July 2019	-1.087.745	-684.645
Decrease	-420.800	-403.100
Retained earnings, 30 June 2020	-1.508.545	-1.087.745
Equity, 30 June 2020	-1.405.194	-946.963

ANNUAL REPORT

NOTES

1. Uncertainties relating to going concern

The Management expects, that the equity will be restored by future earnings or a contribution from the parent company to ensure the Company's creditors. The annual report is presented in accordance to going concern.

	2019/20	2018/19
	DKK	DKK
2. Staff costs		
Wages and salaries	15.132.239	11.220.159
Other employee expense	24.360	66.383
Employee benefits expense	15.156.599	11.286.542
Average number of employees	25	18
3. Finance expenses		
Interest expense assigned to group enterprises	45.605	38.115
Other interest expenses	10.432	15.600
Other finance expenses	56.037	53.715
4. Tax		
Current tax	-118.687	-111.063
Adjustments for deferred tax	-10.000	25.000
Tax expense on ordinary activities	-128.687	-86.063
5. Intangible assets		
Completed development projects:		
Intangible assets, gross, 1 July 2019	142.292	0
Additions to intangible assets	0	142.292
Intangible assets, gross, 30 June 2020	142.292	142.292
Accumulated impairment losses and amortisation of intangible assets	-26.510	0
Amortisation of intangible assets	-47.431	-26.510
Accumulated impairment losses and amortisation of intangible assets	-73.941	-26.510
Intangible assets, 30 June 2020	68.351	115.782

6. Contingent liabilities

The Company is in joint taxation with other Danish group companies. As group company the Company is unlimited and joint and several liable with the other group companies for Danish company tax and withholding tax on dividends, interest and royalties within the joint taxation group. The jointly taxed companies' total known net liability of outstanding company tax and withholding tax on dividends, interest and royalties will appear from the administration company's Financial Statements Pingala A/S, CVR no. 31 77 71 94. Any later adjustments to the joint taxation income could entail, that the Company's liability will come to a larger amount.

7. Mortgages and collaterals

There are no mortgages or collaterals.

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Anders Nielsen

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Kent Alexandar Marc Højlund

Direktør og bestyrelsesmedlem

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Henrik Berg Andersen

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Peter Kallermann

Statsautoriseret revisor

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Dirigent

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