



Deon Digital Denmark A/S

**Overgaden Oven Vandet 10, 1.
1415 København K**

CVR no. 38 79 05 36

Annual report for 2020

(3rd Financial year)

Adopted at the annual general
meeting on 20 April 2021

Dirk Sebald
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Deon Digital Denmark A/S for the financial year 1 January - 31 December 2020.

The annual report is 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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 10 January 2021

Executive board

Dirk Sebald
Director

Board of Directors

Florian Herzog
Chairman

Friedrich Jakob Georg Henglein Dirk Sebald

Auditor's report on compilation of the financial statements

To the shareholder of Deon Digital Denmark A/S

We have compiled the financial statements of Deon Digital Denmark A/S for the financial year 1 January - 31 December 2020 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises income statement, balance sheet, notes and a summary of significant accounting policies,

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR - Danish Auditors' Code of Ethics for Professional Accountants, including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 10 January 2021

Harboe & B.
Godkendt Revisionsanpartsselskab
CVR no. 33 64 94 52

Mads Harboe Nørring
Registreret revisor
MNE no. mne40120

Company details

The company

Deon Digital Denmark A/S
Overgaden Oven Vandet 10, 1.
1415 København K

CVR no.: 38 79 05 36

Reporting period: 1 January - 31 December 2020

Domicile: Copenhagen

Board of Directors

Florian Herzog, chairman
Friedrich Jakob Georg Henglein
Dirk Sebald

Executive board

Dirk Sebald, director

Auditors

Harboe & B.
Godkendt Revisionsanpartsselskab
Lersø Parkallé 107
2100 København Ø

Management's review

Business review

The company's purpose is to develop software and in relation thereto all kinds of consulting services. The company can engage in all types of investments, including the purchase of shares of other companies, as well as other related activities, at the discretion of management.

Accounting policies

The annual report of Deon Digital Denmark A/S for 2020 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2020 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow 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 will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses

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

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment 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, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Tangible assets

Items of plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

| | Useful life | Residual value |
|---|-------------|----------------|
| Andre anlæg, driftsmateriel og inventar | 4 years | 0 % |
| Indretning af lejede lokaler | 4 years | 0 % |

Assets costing less than DKK 14.100 are expensed in the year of acquisition.

Stocks

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the expected selling price less direct costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

Impairment of fixed assets

The carrying amount of intangible assets, items of property, plant and equipment and investments in subsidiaries, associates and participating interests is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Accounting policies

Receivables

Receivables are measured at amortised cost.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Equity

Income tax and deferred tax

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Income statement 1 January - 31 December

| | <u>Note</u> | <u>2020</u> DKK | <u>2019</u> DKK |
|--|-------------|--------------------------|--------------------------|
| Gross profit | | 712.035 | -418.032 |
| Staff costs | 2 | <u>-8.384.040</u> | <u>-6.868.769</u> |
| Profit/loss before amortisation/depreciation and impairment losses | | -7.672.005 | -7.286.801 |
| Depreciation, amortisation and impairment of intangible assets and property, plant and equipment | | <u>-20.285</u> | <u>0</u> |
| Profit/loss before net financials | | -7.692.290 | -7.286.801 |
| Financial costs | | <u>-334.224</u> | <u>-206.865</u> |
| Profit/loss before tax | | -8.026.514 | -7.493.666 |
| Tax on profit/loss for the year | | <u>1.775.861</u> | <u>1.672.358</u> |
| Profit/loss for the year | | <u>-6.250.653</u> | <u>-5.821.308</u> |
| Retained earnings | | <u>-6.250.653</u> | <u>-5.821.308</u> |
| | | <u>-6.250.653</u> | <u>-5.821.308</u> |

Balance sheet 31 December

| | <u>Note</u> | <u>2020</u> DKK | <u>2019</u> DKK |
|--|-------------|--------------------------------|--------------------------------|
| Assets | | | |
| Other fixtures and fittings, tools and equipment | | 146.304 | 0 |
| Leasehold improvements | | 123.525 | 0 |
| Tangible assets | | <u>269.829</u> | <u>0</u> |
| Deposits | | 212.220 | 76.000 |
| Fixed asset investments | | <u>212.220</u> | <u>76.000</u> |
| Total non-current assets | | <u>482.049</u> | <u>76.000</u> |
| Other receivables | | 839.598 | 48.724 |
| Corporation tax | | 1.775.861 | 1.672.358 |
| Prepayments | | 6.000 | 6.000 |
| Receivables | | <u>2.621.459</u> | <u>1.727.082</u> |
| Cash at bank and in hand | | <u>938.754</u> | <u>766.332</u> |
| Total current assets | | <u>3.560.213</u> | <u>2.493.414</u> |
| Total assets | | <u><u>4.042.262</u></u> | <u><u>2.569.414</u></u> |

Balance sheet 31 December

| | <u>Note</u> | <u>2020</u> DKK | <u>2019</u> DKK |
|---|-------------|---------------------------|---------------------------|
| Equity and liabilities | | | |
| Share capital | | 500.000 | 500.000 |
| Retained earnings | | <u>-18.474.556</u> | <u>-12.223.903</u> |
| Equity | | <u>-17.974.556</u> | <u>-11.723.903</u> |
| Trade payables | | 8.360 | 61.913 |
| Payables to subsidiaries | | 20.144.165 | 12.797.590 |
| Other payables | | 1.864.293 | 1.158.974 |
| Deferred income | | <u>0</u> | <u>274.840</u> |
| Total current liabilities | | <u>22.016.818</u> | <u>14.293.317</u> |
| Total liabilities | | <u>22.016.818</u> | <u>14.293.317</u> |
| Total equity and liabilities | | <u>4.042.262</u> | <u>2.569.414</u> |
| Uncertainty about the continued operation (going concern) | 1 | | |

Notes

1 Uncertainty about the continued operation (going concern)

Management is aware of equity loss, and rely on the mother company for financial support in the form of future loans from the mother company, the mother company has given a letter of support stating that it will fund the company for a period of not less than 12 months from the date of approval of the annual report 2020. The company's financing (debt to the mother company) is not to be repaid in the coming year and must not be repaid until the company is making a profit. On this basis the annual report is presented accordingly and has been prepared subject to the company's continued operation.

| | <u>2020</u> | <u>2019</u> |
|-----------------------------|-------------------------|-------------------------|
| | DKK | DKK |
| 2 Staff costs | | |
| Wages and salaries | 8.316.817 | 6.758.384 |
| Other social security costs | -62.920 | 26.429 |
| Other staff costs | <u>130.143</u> | <u>83.956</u> |
| | <u>8.384.040</u> | <u>6.868.769</u> |
| | | |
| Average number of employees | <u>16</u> | <u>10</u> |