



Lillebælt Revision

Statsautoriseret
revisionsanpartsselskab
Nyvang 7
5500 Middelfart
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CVR nr. 10122058

Vleppo ApS

Ejlskovsgade 13, 2. tv.
5000 Odense C

CVR no. 40 51 69 80

Annual report for 2019

Adopted at the annual general
meeting on 11 May 2020

Aleksandra Hristova
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 Vleppo ApS for the financial year 14 May - 31 December 2019.

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 2019 and of the results of the company's operations for the financial year 14 May - 31 December 2019.

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.

Odense, 11 May 2020

Executive board

Peter Ivan Coco
director

Helen Ann Coco
director

Supervisory board

Helen Ann Coco
chairman

Stephen John Corbett
deputy chairman

Albert Saychuan Cheok

Peter Ivan Coco

Auditor's report on compilation of the financial statements

To the shareholder of Vleppo ApS

We have compiled the financial statements of Vleppo ApS for the financial year 14 May - 31 December 2019 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises income statement, balance sheet, statement of changes in equity, notes and 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.

Middelfart, 11 May 2020

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Statsautoriseret Revisionsanpartsselskab
CVR no. 10 12 20 58

Ole Lyng Andersen
Statsautoriseret revisor
MNE no. mne34462

Company details

The company

Vleppo ApS
Ejlskovsgade 13, 2. tv.
5000 Odense C

Website: www.vleppo.io

CVR no.: 40 51 69 80

Reporting period: 14 May - 31 December 2019

Domicile: Odense

Supervisory board

Helen Ann Coco, chairman
Stephen John Corbett, deputy chairman
Albert Saychuan Cheok
Peter Ivan Coco

Executive board

Peter Ivan Coco, director
Helen Ann Coco, director

Auditors

Lillebælt Revision
Statsautoriseret Revisionsanpartsselskab
Nyvang 7
5500 Middelfart

Lawyers

IDEAL Advokatfirma P/S
Vestergade 43, 1.
5000 Odense C

Bankers

Danske Bank A/S
Albani Torv 2
5000 Odense C

Management's review

Business review

The company's purpose is development and licensing of IP rights and software and related activities.

Financial review

The company's income statement for the year ended 31. december 2019 shows a loss of DKK 118.422, and the balance sheet at 31 December 2019 shows negative equity of DKK 78.422.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Vleppo ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The annual report for 2019 is presented in DKK

As 2019 is the company's first reporting period, no comparatives have been presented.

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.

Other external expenses

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

Accounting policies

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 relating 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 and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

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.

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

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

Receivables

Receivables are measured at amortised cost.

Accounting policies

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Equity

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

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 14 May - 31 December

	<u>Note</u>	<u>2019</u> DKK
Gross profit		-77.374
Staff costs	1	<u>-59.716</u>
Profit/loss before net financials		-137.090
Financial income		3.174
Financial costs		<u>-18.977</u>
Profit/loss before tax		-152.893
Tax on profit/loss for the year	2	<u>34.471</u>
Profit/loss for the year		<u><u>-118.422</u></u>
Transferred to reserve for development expenditure		393.739
Retained earnings		<u>-512.161</u>
		<u><u>-118.422</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK
Assets		
Development projects in progress		<u>504.794</u>
Intangible assets	3	<u>504.794</u>
Total non-current assets		<u>504.794</u>
Other receivables		393.730
Corporation tax		<u>111.055</u>
Receivables		<u>504.785</u>
Cash at bank and in hand		<u>128.027</u>
Total current assets		<u>632.812</u>
Total assets		<u><u>1.137.606</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2019</u> DKK
Equity and liabilities		
Share capital		40.000
Reserve for development costs		393.739
Retained earnings		<u>-512.161</u>
Equity		<u>-78.422</u>
Provision for deferred tax		<u>76.584</u>
Total provisions		<u>76.584</u>
Convertible and profit-yielding instruments of debt		<u>745.091</u>
Total non-current liabilities	4	<u>745.091</u>
Payables to shareholders and management		165.044
Other payables		<u>229.309</u>
Total current liabilities		<u>394.353</u>
Total liabilities		<u>1.139.444</u>
Total equity and liabilities		<u><u>1.137.606</u></u>
Uncertainty about the continued operation (going concern)	5	
Contingent liabilities	6	

Statement of changes in equity

	<u>Share capital</u>	<u>Reserve for development costs</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 14 May 2019	40.000	0	0	40.000
Net profit/loss for the year	<u>0</u>	<u>393.739</u>	<u>-512.161</u>	<u>-118.422</u>
Equity at 31 December 2019	<u>40.000</u>	<u>393.739</u>	<u>-512.161</u>	<u>-78.422</u>

Notes

	<u>2019</u> DKK
1 Staff costs	
Wages and salaries	338.391
Other social security costs	4.828
Other staff costs	<u>1.456</u>
	344.675
Transfer to development costs	<u>-284.959</u>
	<u>59.716</u>
Average number of employees	<u>3</u>
2 Tax on profit/loss for the year	
Current tax for the year	-111.055
Deferred tax for the year	<u>76.584</u>
	<u>-34.471</u>
3 Intangible assets	
	<u>Development projects in progress</u>
Cost at 14 May 2019	0
Additions for the year	<u>504.794</u>
Cost at 31 December 2019	<u>504.794</u>
Impairment losses and amortisation at 14 May 2019	<u>0</u>
Impairment losses and amortisation at 31 December 2019	<u>0</u>
Carrying amount at 31 December 2019	<u>504.794</u>

Notes

4 Long term debt

	Debt at 14 May 2019	Debt at 31 December 2019	Instalment next year	Debt outstanding after 5 years
Convertible and profit-yielding instruments of debt	0	745.091	0	0
	0	745.091	0	0

5 Uncertainty about the continued operation (going concern)

The company is in the start-up phase and has been working on the development of the technical platform to support the future operation since its establishment. During the development period, the company suffered losses as a result of start-up costs, but the management has good indications and expectations that the company's product can generate a significant future revenue base.

The management expects that sufficient earnings and liquidity will thus be provided to maintain the operations of the company during the financial year 2020 and therefore present the annual report on the assumption of continued operation.

6 Contingent liabilities

The company is jointly taxed with its parent company, Left Hook ApS (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2019 onwards as well as for payment of withholding taxes on dividends, interest and royalties.