Bigsquid ApS

c/o Otto Andersen
Bryghuspladsen 8, 5. 504.
1473 København K

CVR no.: 40 56 05 80

Annual report 2020

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

on 29 June 2021

Otto Andersen

chairman of the annual general meeting

Contents

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Bigsquid ApS for the financial year 1 January – 31 December 2020.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the period and of the Group's and the Parent Company's financial position.

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

Copenhagen, 29 June 2021
Executive Board:

Otto Andersen

Independent auditor's report

To the shareholder of Bigsquid ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Bigsquid ApS for the financial year 1 January 1 January– 31 December 2020 comprising income statement, balance sheet and statement of changes in equity and notes, including accounting policies, for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2020 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 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 consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group 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 consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 financial statement users made on the basis of these consolidated financial statements and parent company 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 consolidated financial statements and the parent 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.
- 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group's and the Parent 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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company 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 the Management's review.

Copenhagen, 29 June 2021
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Klaus Rytz
State Authorised
Public Accountant
mne33205

Management's review

Company details

Bigsquid ApS
c/o Otto Andersen
Bryghuspladsen 8, 5. 504.
1473 København K

CVR no.	40 56 05 80
Established:	31 May 2019
Registered office:	Copenhagen
Financial year:	1 January – 31 December

Executive Board

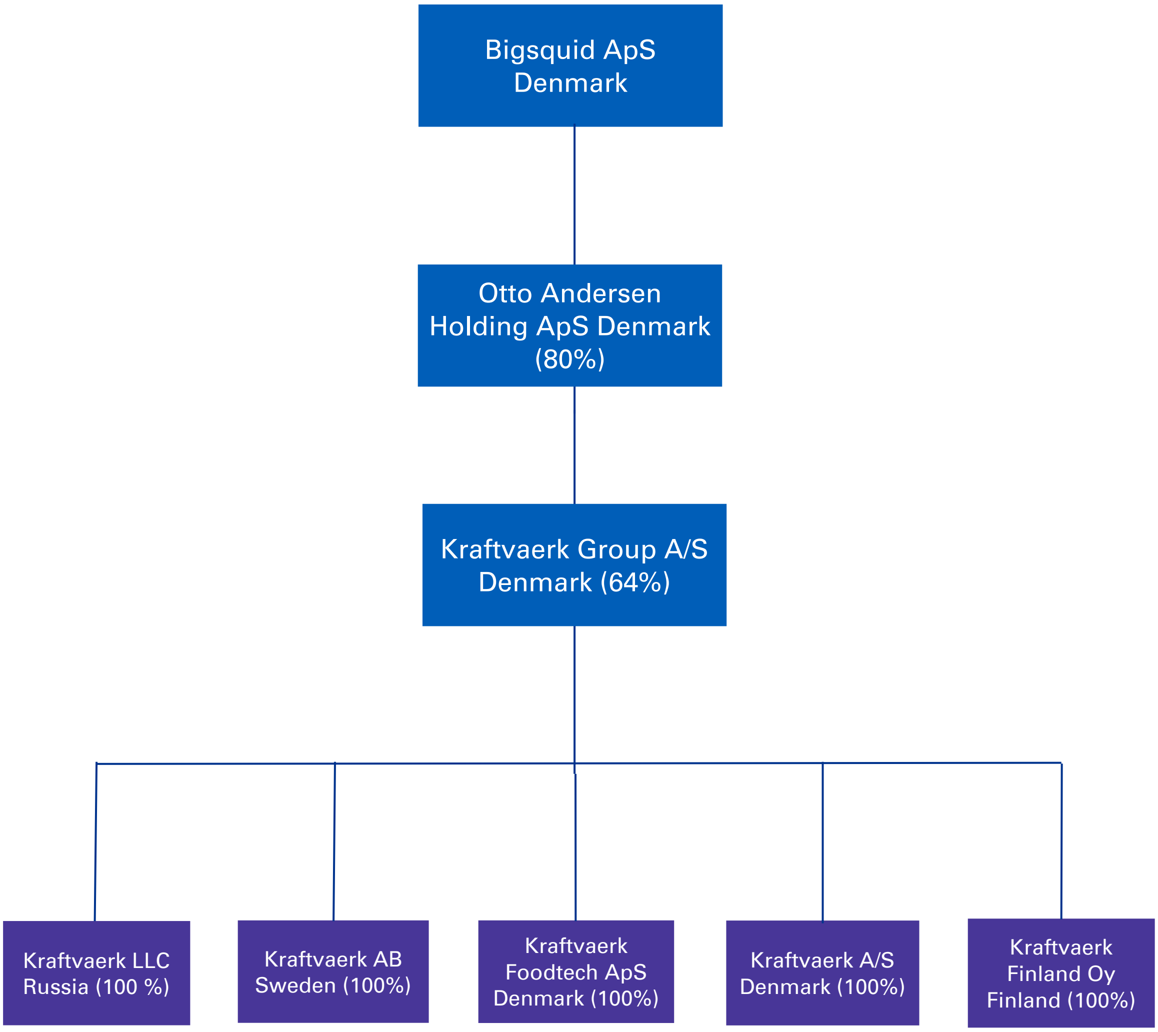
Otto Andersen

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark

Management's review

Group chart



Management's review

Financial highlights for the Group

t.DKK	2020	2019
Gross profit/loss	68,722	46,984
Ordinary operating profit/loss	2,616	984
Profit/loss for the period	710	-47
Total assets	42,731	35,221
Investments in property, plant and equipment	4,561	4,675
Equity	15,321	16,078
Gross margin	82%	83%
Solvency Ratio	36%	46%
Operating margin	1%	-1%

The financial ratios have been calculated as follows:

Gross margin $\frac{\text{Gross profit x 100}}{\text{Revenue}}$

Solvency ratio $\frac{\text{Equity ex. non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$

Operating margin $\frac{\text{Operating profit x 100}}{\text{Revenue}}$

Management's review

Operating review

The Group's principal activities

The Group's activities comprise IT and business development.

Development in activities and financial position

Profit/loss for the period

The income statement for the period 1 January – 31 December 2020 shows a profit of t.DKK 710 compared to prior year t.DKK -47. The balance sheet shows equity of t.DKK 15,321 (2019: t.DKK 16,078)

Management considers the result satisfactory.

Events after the balance sheet date

As a result of COVID-19, there was a negative effect on the Company's operations after the financial year end. The effect of COVID-19 is still unknown, but the Company has secured its capital resources.

Besides COVID-19, there has been no events materially affecting the assessment of the annual report after the balance sheet date.

Outlook

The uncertainties related to operations due to the COVID-19 makes it very difficult to forecast the result for 2021. Measures have been taken in order to respond to the negative effects of the COVID-19. These measures make Management believe that the result for 2021 will be positive.

Particular risks

Operating risks

The Company is not exposed to any special risks usual for a consultancy firm.

Financial risks

Currency risks

Activities outside of Denmark means that earnings, cash flows and equity are affected by exchange rate and interest rate developments. These risks are expected to level out over time and due to fact that the Company has no plans for exiting any of these markets outside of Denmark, Management does not consider these risks to be material for the future operations of the Company.

Interest rate risks

As the net interest-bearing debt does not constitute a significant amount, moderate changes in the interest rate level will have no significant direct effect on earnings.

Credit risks

The Company has a line of credit at its disposal from its main bank and does not consider credit risks to be a material risk for the operations in 2021.

Environmental matters

The Company is not considered subject to any material negative effects on the environment.

Research and development activities

The Company does not have a significant cost related to Research and development activities. Those activities are mainly concentrated in one of the subsidiaries and not at a material level.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Income statement

		Group		Parent Company	
DKK	Note	2020	2019	2020	2019
Gross profit/loss		68.722.279	46,984,429	-30,500	-12,500
Staff cost	2	-66.106.479	-46,000,632	0	0
Ordinary operating profit		2.615.800	983,797	-30,500	-12,500
Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment		-1,651,007	-1,452,227	0	0
Operating profit		964,793	-468,430	-30,500	-12,500
Income from equity investments in group entities		0	0	372,174	-3,811
Other financial income		190,194	810,777	-2,616	0
Other financial expenses		-32,343	-60,949	0	0
Profit before tax		1,122,644	281,398	339,058	-16,311
Tax on profit	3	-412,858	-328,875	9,101	2,750
Loss for the financial year	4	709,786	-47,477	348,159	-13,561

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

DKK	Note	Group 2020	Group 2019	Parent company 2020	Parent company 2019
ASSETS					
Fixed assets					
Intangible assets	5				
Goodwill		111,300	228,055	0	0
Completed development projects		143,321	454,762	0	0
		254,621	682,817	0	0
Property, plant and equipment	6				
Fixtures and fittings, tools and equipment		4,561,404	4,675,260	0	0
		4,561,404	4,675,260	0	0
Investments					
Equity investments in group entities	7	0	0	6,957,235	10,767,387
Deposits		1,316,847	2,148,786	0	0
		1,316,847	2,148,786	6,957,235	10,767,387
Total fixed assets		6,132,872	7,506,863	6,957,235	10,767,387
Current assets					
Receivables					
Trade receivables		20,651,866	18,498,813	0	0
Work in progress	8	1,617,102	2,236,526	0	0
Deferred tax asset	9	0	61,790	0	0
Income tax receivable		142,091	304,240	0	2,750
Other receivables		53,209	250,143	0	0
Prepayments	10	1,360,418	850,460	0	0
		23,824,686	22,201,972	0	2,750
Cash at bank and in hand		12,773,927	5,512,430	4,302,301	0
Total current assets		36,598,613	27,714,402	4,302,301	2,750
TOTAL ASSETS		42,731,485	35,221,265	11,259,536	10,770,137

Consolidated financial statements and parent company financial statements 1 January – 31 December

Balance sheet

DKK	Note	Group 2020	Group 2019	Parent Company 2020	Parent Company 2019
EQUITY AND LIABILITIES					
Equity					
Contributed capital	11	40,000	40,000	40,000	40,000
Reserve for development costs		212,812	354,714	0	0
Retained earnings		10,447,035	12,470,374	10,659,870	10,607,037
Proposed dividends for the financial year		113,000	110,600	113,000	110,600
Minority interests		4,507,977	3,101,943	0	0
Total equity		15,320,824	16,077,631	10,812,870	10,757,637
Liabilities other than provisions					
Non-current liabilities other than provisions					
Other payables		4,019,210	1,946,926	0	0
		4,019,210	1,946,926	0	0
Current liabilities other than provisions					
Prepayments received from work in progress	8	1,516,761	1,888,980	0	0
Prepayments from customers		5,426,070	1,913,585	0	0
Defered tax	9	100,840	0	0	0
Trade payables		2,463,683	1,651,172	0	0
Other payables		12,234,935	10,396,266	446,666	12,500
Deferred income	12	1,649,162	1,346,705	0	0
		23,391,451	17,196,708	446,666	12,500
Total liabilities other than provisions		27,410,661	19,143,634	446,666	12,500
TOTAL EQUITY AND LIABILITIES		42,731,485	35,221,265	11,259,536	10,770,137

Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

	Group					
DKK	Contributed Capital	Reserve for Development costs	Retained earning	Proposed dividend	Minority interests	Total
Equity at 1 January 2020	40,000	354,714	12,470,374	110,600	3,101,943	16,077,631
Correction of mistake previous years	0	0	-2,044,406	0	2,044,406	0
Distributed dividend	0	0	0	-110,600	-1,000,000	-1,110,600
Additions during the financial year	0	0	0	0	0	0
Total depreciation, amortisation, impairment losses and writedowns during the financial year	0	-181,926	181,926	0	0	0
Transferred over the profit appropriation	0	0	235,158	113,000	361,628	709,786
Exchange rate adjustment, foreign subsidiary	0	0	-355,993	0	0	-355,993
Tax on items under equity	0	40,024	-40,024	0	0	0
Equity at 31 December 202	40,000	212,812	10,447,035	113,000	4,507,977	15,320,824

Consolidated financial statements and parent company financial statements 1 January – 31 December

Statement of changes in equity

	Parent Company			
DKK	Contributed Capital	Retained earning	Proposed dividend	Total
Equity at 1 january 2020	40,000	10,607,037	110.600	10,757,637
Distributed dividend	0	0	-110,600	-110,600
Adjustments regarding subsidiaries	0	-182.326	0	-182.326
Transferred over the profit appropriation	0	235,159	113.000	348,159
Equity at 31 December 2020	40,000	10,659,870	113,000	10,812,870

Consolidated financial statements and parent company financial statements 1 January– 31 December

Cash flow statement

DKK	Note	2020	2019
Cash generated from operations before changes in working capital		2,615,800	2,241,257
Adjustments to cash generated from ordinary activaties		-40,384	-340,758
Changes in working capital		6,274,559	-1,231,401
Cash generated from operations		8,849,975	669,098
Interest income		318,236	550,960
Interest expense		-158,654	-288,069
Corporation tax paid		-107,681	-1,226,996
Cash flows from operating activities		8,901,876	-295,007
Acquisition of property, plant and equipment		-1,187,366	-1,306,394
Disposal of property, plant and equipment		10,000	19,182
Deposits paid in/out		830,926	-699,372
Loans to related parties		0	-168,968
Cash flows from investing activities		-346,440	-2,155,552
External financing:			
Issue of shares/dividends, majority shareholder		-1,110,600	-963,360
Cash flows from financing activities		-1,110,600	-963,360
Cash flows for the year		7,444,836	-3,413,919
Cash and cash equivalents at the beginning of the year		5,512,429	8,649,181
Effect of exchange rate		183,338	277,167
Cash and cash equivalents at year end		12,773,927	5,512,429

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Bigsquid ApS for 2020 has been prepared in accordance with the provisions applying to reporting class C (medium).

Consolidated financial statements

The consolidated financial statements comprise the Parent Company, Bigsquid ApS, and subsidiaries in which Bigsquid ApS directly or indirectly holds more than 50% of the votes or in some other way exercises control over. Entities in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are considered associates.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Equity investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

Business combinations

Newly acquired or newly founded enterprises are recognised as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained.

Divested or discontinued enterprises are recognised until the date of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Newly acquired enterprises are recognised in accordance with the acquisition method, according to which the identifiable assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Upon recognition of foreign subsidiaries and associates which are independent entities, the income statements are translated into Danish kroner at average exchange rates for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising upon translation of foreign subsidiaries' opening equity and results at the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries considered part of the total investment in the subsidiary are recognised directly in equity.

Upon recognition of foreign subsidiaries which are integrated entities, monetary items are translated at the exchange rates at the balance sheet date. Non-monetary items are translated at the exchange rates at the date of acquisition or the date of subsequent revaluations of the asset. Income statement items are translated at the exchange rates at the transaction date, whereas items derived from non-monetary items are translated at historical exchange rates for the non-monetary item.

Minority interests

Subsidiaries are recognised in the consolidated financial statements accounting records 100%. Minority interests proportional share of profit or loss and equity of the subsidiary companies are recognised as separate items in the profit and loss account and the balance sheet.

Income statement

Revenue

Income from the sale of services is recognised as delivery takes place. Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the financial year.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Staff costs

Staff costs comprise wages and salaries as well as other staff related costs.Consolidated financial statements and parent company financial statements 1 January – 31 December

Depreciation, amortisation and impairment and losses

Depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets.

Income from equity investments in group entities

For equity investments in subsidiaries that in the Parent Company are measured using the equity method, the share of the entities' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

Impairment losses on financial assets

Impairment losses on financial assets comprise impairment of investments at a lower recoverable amount and write-downs of financial current assets at a lower net realisable value.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, financial costs regarding payables and transactions denominated in foreign currencies.

Tax on profit for the financial year

The Parent Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

Bigsquid ApS is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation 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 used the losses to reduce their own taxable profit.

Tax for the period comprises current tax for the period and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the period is recognised in the income statement at the amount attributable to the profit/loss for the period and directly in equity at the amount attributable to entries directly in equity.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Intangible assets

Completed development projects

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the Company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the financial year in which they are incurred.

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

Completed development projects are amortised using the straight-line method based on useful lives. The maximum amortisation period is 4 years.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised on a straight-line basis over the estimated useful life determined on the basis of Management's experience within the individual business areas. The amortisation period is 5 years.

Gains and losses on the disposal of intangible assets

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Property, plant and equipment

Property, plant and equipment comprise fixtures and fittings, tools and equipment.

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	3-5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Investments

In the balance sheet of the Parent Company, equity investments in subsidiaries are measured according to the equity method. This means that these equity investments are measured at the proportionate share of the entities' equity value, determined according to the accounting policies of the Parent Company, adjusted for the remaining value of positive or negative goodwill and gains and losses on transactions with the entities in question.

Other receivables and deposits are recognised at amortised cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the Company.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Work in progress

Work in progress is measured at the selling price of the work performed less progress billings and expected losses. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual work in progress. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual work in progress.

When the selling price of a 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 as receivables or payables, respectively. Net assets comprise the total of work in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise the total of work in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Equity

Dividends

The expected dividend payment for the financial year is disclosed as a separate item under equity.

Net revaluation reserve according to the equity method

The net revaluation of equity investments in subsidiaries is recognised in the financial statements of the parent in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries, which are expected to be adopted before adoption of the annual report for Bigsquid ApS, are not tied up in the revaluation reserve.

Other reserves

An amount equivalent to internally generated development costs in the balance sheet is recognised in the financial statements of the parent in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer associated with the operations of the entity, and the remaining amount will be transferred to retained earnings. In accordance with the amending Danish Financial Statements Act no. 738 of 1 June 2015, development costs will initially be recognised in the reserve, with initial recognition in the balance sheet from 1 January 2016.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 measured on the planned use of the asset or settlement of the liability, respectively. 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 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.

Payables

Deposits recognised under liabilities comprise deposits received from lessees under the Company's leases.

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in size or composition of the Company's share capital and costs in this respect as well as raising of loans, instalments on interest-bearing debt and distribution of dividend to owners.

Cash and cash equivalents

Cash and cash equivalents comprise cash.

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

2 Staff costs and incentive schemes

	Group		Parent Company	
DKK	2020	2019	2020	2019
Wages and salaries	56,840,383	39,371,086	0	0
Pensions	5,912,394	3,744,493	0	0
Other social security costs	1,061,742	827,155	0	0
Other staff costs	2,291,960	2,057,898	0	0
	66,106,479	46,000,632	0	0
Average number of full-time employees	114	141	0	0

DKK

3 Tax on profit for the year

Current tax for the year	311,676	386,712	9,101	2,750
Deferred tax adjustment for the year	101,182	-57,838	0	0
	412,858	328,875	9,101	2,750

4 Proposed profit appropriation

Proposed dividend for the financial year	113,000	110.600	113,000	110.600
Minority interests	361,628	-92,424		0
Retained earnings	235,158	-65,653	226,559	-124,161
	709,786	-47,477	339,559	-13,561

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

5 Intangible assets

	Group		
DKK	Goodwill	Completed develop-ment projects	Total
Cost at 1 January 2020	1,473,815	2,884,378	4,358,193
Correction from prior year	201,920	-201,920	0
Cost at 31 December 2020	1,675,735	2,682,458	4,358,193
Amortisation and impairment losses at 1 January 2020	-1,245,760	-2,429,616	-3,675,376
Amortisation	-286,654	-141,542	-428,196
Amortisation and impairment losses at 31 December 2020	-1,532,414	-2,571,158	-4,103,572
Carrying amount at 31 December 2020	143,321	111,300	254,621

6 Property, plant and equipment

	Group
DKK	Fixtures and fittings, tools and equipment
Cost at 1 January1 January 2020	11,033,087
Currency exchange	-543,093
Additions	1,187,366
Disposals	-335,942
Cost at 31 December 2020	11,341,418
Depreciation and impairment losses at 1 January1 January 2020	-6,357,827
Currency exchange	441,857
Depreciation	-1,188,596
Depreciation disposal	324,552
Depreciation and impairment losses at 31 December 2020	-6,780,014
Carrying amount at 31 December 2020	4,561,404

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

7 Investments

	Parent Company	
DKK	2020	2019
Equity investments in subsidiaries		
Cost at 1 January	10,919,466	10,919,466
Cost at 31 December	10,919,466	10,919,466
Revaluations at 1 January	-152,079	0
Adjustment regarding subsidiaries	0	37,620
Currency exchange	-182,326	78,174
Net profit from equity investments	372,174	-3,811
Dividend relating to equity investments	-4,000,000	0
Reversal of revaluations of divested assets	0	-264,062
Revaluations at 31 December	-3,962,231	-152,079
Carrying amount at 31 December	6,957,235	10,767,387

Name/legal form	Registered office	Equity interest
Subsidiaries:		
Otto Andersen Holding ApS	Denmark	80%

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

		Group		Parent Company	
	DKK	2020	2019	2020	2019
8	**Work in progress**				
	Selling price of work performed	1,617,102	2,236,526	0	0
	Progress billings	-1,516,761	-1,888,980	0	0
		100,341	347,546	0	0
	Work in progress (assets)	1,617,102	2,236,526	0	0
	Work in progress (liabilities)	-1,516,761	-1,888,980	0	0
		100,341	347,546	0	0
9	**Deferred tax**				
	Deferred tax at 1 January	61,790	159,148	0	0
	Deferred tax adjustment for the year in the income statement	-162,630	-97,358	0	0
		-100,840	61,790	0	0

10 Prepayments

Prepayments comprise prepayment of costs incurred in 2020, DKK 1,360,418 (2019: DKK 850,460).

11 Contributed capital

Share capital consists of shares in denominations of DKK 40,000. No Shares entail special rights.

12 Deferred income

Deferred income comprises payments received in 2020, DKK 1,649,162 (2019: DKK 1,346,705).

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

13 Contingent liabilities

Group:

Lease commitments:

The Company has concluded lease agreements with terms to maturity of 9-12 months and average lease payments of DKK 27 thousand, a total of DKK 270 thousand.

The Company has concluded rental agreements which are irredeemable until 30 April 2021 and 31 October 2025, respectively. The remaining lease liability amounts DKK 8,352 thousand.

Parent Company:

Other contingent liabilities

The Company is jointly taxed with the other Danish companies in the group and is liable for income taxes on a pro rata basis and must comply with any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies. The maximum liability totals an amount corresponding to the share of the capital in the company which is owned directly or indirectly by the ultimate parent.

14 Related parties

Bigsquid ApS' related parties comprise the following:

Otto Andersen Holding ApS
Kraftvaerk Group A/S
Kraftvaerk A/S
Kraftvaerk Finland OY
Kraftvaerk LLC
Kraftvaerk AB
Kraftvaerk FoodTech ApS

Consolidated financial statements and parent company financial statements 1 January – 31 December

Notes

14 Related parties (continued)

Control

Bigsquid ApS holds the majority of the contributed capital in the Company.

Related party transactions

DKK	2020	2019
Group		
Sale of services to a group company	7,634,755	13,807,224
Purchase of services from a group company	-7,634,755	-13,807,224
	0	0
Parent Company		
Sale of services to a subsidiary	0	0
Purchase of services from a subsidiary	0	0
	0	0
Total	0	0

The Company's balances with group entities at 31 December 2020 are recognised in the balance sheet. Interest income and expenses with respect of the group entities are disclosed in note 3 and 4. Further balances with group entities comprise trade balances related to purchase and sale of services.