

Anthill Technologies A/S

Dampfærgevej 10, 5., 2100 København Ø

Company reg. no. 40 84 56 82

Annual report

1 October 2019 - 30 September 2020

The annual report was submitted and approved by the general meeting on the 17 December 2020.

Søren Stensdal
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management commentary	
Company information	5
Management commentary	6
Financial statements 1 October 2019 - 30 September 2020	
Accounting policies	7
Income statement	12
Statement of financial position	13
Statement of changes in equity	15
Notes	16

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of Anthill Technologies A/S for the financial year 1 October 2019 - 30 September 2020 of Anthill Technologies A/S.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 30 September 2020 and of the company's results of activities in the financial year 1 October 2019 – 30 September 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

København Ø, 17 December 2020

Managing Director

Katrine Bach

Board of directors

Søren Stensdal

Ole Depping Schneider

Katrine Bach

Independent auditor's report

To the shareholder of Anthill Technologies A/S

Opinion

We have audited the financial statements of Anthill Technologies A/S for the financial year 1 October 2019 - 30 September 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 30 September 2020 and of the results of the company's activities for the financial year 1 October 2019 - 30 September 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 taken on the basis of these financial statements.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism 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.
- Obtain an understanding of the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 17 December 2020

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Jan Tønnesen

State Authorised Public Accountant
mne9459

Allan Breiling

State Authorised Public Accountant
mne35809

Company information

The company

Anthill Technologies A/S
Dampfærgevej 10, 5.
2100 København Ø

Company reg. no. 40 84 56 82
Financial year: 1 October - 30 September

Board of directors

Søren Stensdal
Ole Depping Schneider
Katrine Bach

Managing Director

Katrine Bach

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

Anthill Agency A/S

Management commentary

The principal activities of the company

The company's purpose is the development and sale of software and all related business. In 2019/20 Anthill Technologies signed three global license agreements.

Development in activities and financial matters

The gross profit for the year totals DKK 2.317.000. Income or loss from ordinary activities after tax totals DKK 1.101.000. Management considers the net profit for the year satisfactory. Anthill Technologies does not have direct employees but are contracting external and intercompany resources on demand.

Events occurring after the end of the financial year

In the period from closure of accounts to date of signature of the annual report no essential event having potential influence on the report has occurred.

Accounting policies

The annual report for Anthill Technologies A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The annual report is presented in DKK. The annual report comprises the first financial year and hence comparative figures are not available.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets and other nonmonetary assets acquired in foreign currency and not considered to be investment assets are measured using the exchange rate at the transaction date.

Accounting policies

If the foreign group enterprises and associates meet the criteria for independent entities, their income statements are translated using an average exchange rate for the period in question and the balance sheet items are translated using the closing rate. Differences arising from translating the equity of foreign group enterprises at the beginning of the year using the closing rate are recognised directly in equity. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Translation adjustment of balances with foreign group enterprises considered part of the total investment in group enterprises are recognised directly in equity. Likewise, foreign exchange gains and losses on loans and derivatives for the currency hedging of independent foreign group enterprises are recognised directly in equity.

Income statement

Gross profit

The gross profit comprises the net turnover, cost of sales, other operating income and external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Accounting policies

Interest and other costs concerning loans to finance the production of intangible assets and property, plant, and equipment, and relating to production periods are not recognised in the cost of non-current assets.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects.

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. The amortisation period is 5 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Writedown of fixed assets

The carrying amount of intangible assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation, respectively.

Accounting policies

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed less invoicing on account and expected losses. Contract work in progress is characterised by the goods manufactured having a high degree of individualised design. Furthermore, it is a requirement to enter into a binding contract prior to commencing the work which, if cancelled, will result in penalties or damages.

The selling price is measured on the basis of the stage of completion on the reporting date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an assessment of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

When it seems probable that the total contract costs will exceed the total contract revenue, the expected contract loss is immediately recognised as costs and provisions.

When the results of a contract cannot be assessed reliably, the selling price is recognised solely on a cost basis to the extent that it seems probable that the costs will be recovered.

Contracts, for which the selling price of the work performed exceeds the invoicing on account and expected losses, are recognised as trade receivables. Contracts, for which invoicing on account and expected losses exceed the selling price, are recognised as liabilities.

Prepayments from customers are recognised as liabilities.

Costs in connection with sales work and the procurement of contracts are recognised in the income statement when incurred.

Accounting policies

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities. The reserve cannot be used as dividends or for covering losses. The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Anthill Technologies A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Income statement 1 October - 30 September

All amounts in DKK.

<u>Note</u>	<u>2019/20</u>
Gross profit	2.317.148
Amortisation and impairment of intangible assets	-895.303
Operating profit	1.421.845
Other financial costs	-9.068
Results before tax	1.412.777
Tax on ordinary results	-312.169
Results for the year	1.100.608
Proposed appropriation of net profit:	
Transferred to retained earnings	1.100.608
Total allocations and transfers	1.100.608

Statement of financial position at 30 September

All amounts in DKK.

<u>Note</u>	<u>2020</u>
Assets	
Non-current assets	
2 Development projects in progress and prepayments for intangible assets	3.658.368
Total intangible assets	<u>3.658.368</u>
Total non-current assets	<u>3.658.368</u>
Current assets	
Trade receivables	791.546
3 Contract work in progress	106.283
Receivables from group enterprises	23.896
Other receivables	168.682
Total receivables	<u>1.090.407</u>
Total current assets	<u>1.090.407</u>
Total assets	<u>4.748.775</u>

Statement of financial position at 30 September

All amounts in DKK.

<u>Note</u>	<u>2020</u>
Equity and liabilities	
Equity	
Contributed capital	400.000
Reserve for development expenditure	2.853.527
Retained earnings	-1.752.919
Total equity	<u>1.500.608</u>
Provisions	
Provisions for deferred tax	312.169
Total provisions	<u>312.169</u>
Liabilities other than provisions	
Bank loans	34
Trade payables	106.049
Payables to group enterprises	1.907.266
Other payables	446.354
Accruals and deferred income	476.295
Total short term liabilities other than provisions	2.935.998
Total liabilities other than provisions	<u>2.935.998</u>
Total equity and liabilities	<u>4.748.775</u>

4 Contingencies

Statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Retained earnings	Total
Equity 1 October 2019	0	0	0	0
Cash capital increase	400.000	0	0	400.000
Profit or loss for the year brought forward	0	0	1.100.608	1.100.608
Transferred from results brought forward	0	2.853.527	-2.853.527	0
	400.000	2.853.527	-1.752.919	1.500.608

Notes

All amounts in DKK.

2019/20

1. Staff costs

Average number of employees	0
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Anthill Technologies does not have direct employees but are contracting external and intercompany resources on demand.

2. Development projects in progress and prepayments for intangible assets

Additions during the year	4.553.671
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Cost 30 September 2020	4.553.671
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Amortisation for the year	-895.303
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Amortisation and writedown 30 September 2020	-895.303
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Carrying amount, 30 September 2020	3.658.368
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Development projects relate to development of unik company software. The year's attendance is attribute to labor costs and external consultants. The products are fully developed and the management believes that there is a market for the product.

The completed development project is essential for maintenance of the turnover and cost savings in the Anthill group.

The management has not identified indication of impairment in proportion to the book value.

3. Contract work in progress

Sales value of the production of the period	243.382
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Payments on account received	-137.099
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Contract work in progress, net	106.283
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4. Contingencies

Joint taxation

With Stensdal Group A/S, company reg. no 10238889 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

Notes

All amounts in DKK.

4. Contingencies (continued)

Joint taxation (continued)

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

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Søren Stensdal

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Ole Depping Schneider

Bestyrelsesmedlem

På vegne af: Anthill Technologies A/S

Serienummer: PID:9208-2002-2-930195767784

IP: 194.182.xxx.xxx

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NEM ID 

Katrine Bach

Adm. direktør

På vegne af: Anthill Technologies A/S

Serienummer: PID:9208-2002-2-447390772191

IP: 77.241.xxx.xxx

2020-12-20 12:43:37Z

NEM ID 

Katrine Bach

Bestyrelsesmedlem

På vegne af: Anthill Technologies A/S

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Jan Tønnesen

Statsautoriseret revisor

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Allan Breiling

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Søren Stensdal

Dirigent

På vegne af: Anthill Technologies A/S

Serienummer: PID:9208-2002-2-794468198787

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