

Saxo Geely Tech Holding A/S

Philip Heymans Allé 15
2900 Hellerup
CVR no. 41 03 37 89

Annual Report 2020

Approved on the general meeting 26 April 2021

Chairman:

Yifan Zhang

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Statement by the Board of Directors and the Board of Management

The Board of Directors and the Board of Management have today discussed and approved the annual report of Saxo Geely Tech Holding A/S for the financial year 1 January – 31 December 2020.

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

It is our opinion that 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 period 1 January – 31 December 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Hellerup, 26 April 2021

Board of Management:

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Fan Xu

Board of Directors:

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Yifan Zhang
Chairman

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Daniel Donghui Li

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Kim Fournais

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Søren Kyhl

Independent auditors' report

To the shareholders of Saxo Geely Tech Holding A/S

Opinion

We have audited the financial statements of Saxo Geely Tech Holding A/S for the financial period 01.01.2020 - 31.12.2020, which comprise the income statement, statement of financial position and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2020 and of the results of its operations for the financial period 01.01.2020 - 31.12.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, 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 conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 26 April 2021

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration no. 33 96 35 56

Anders Oldau Gjelstrup
State-Authorised Public Accountant
MNE no 10777

Jens Ringbæk
State-Authorised Public Accountant
MNE no 27735

Management's review

Company information

Name	Saxo Geely Tech Holding A/S
Address, zip code, city	Philip Heymans Allé 15, DK-2900, Hellerup
CVR no.	41 03 37 89
Established	27 December 2019
Registered office	Gentofte
Financial year	1 January – 31 December
Board of Directors	Yifan Zhang (Chairman) Daniel Donghui Li Kim Fournais Søren Kyhl
Board of Management	Fan Xu
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 Copenhagen

Management's review

Principal activities of the Company

Saxo Geely Tech Holding A/S (the Company) is a holding company, which primary purpose is to invest in shares in other companies and any other activity which the Board of Directors deems incidental to the attainment of these objects. At 31 December 2020 the investment in Saxo Financial Technology Company Limited is the sole investment made by the Company.

Besides the Managing Director the Company has no employees.

Development in activities and financial matters

Result for the year shows a loss of EUR 1,903 thousand compared to a loss of EUR 13 thousand in 2019.

The negative result is a consequence of the Company being in a start-up phase and costs associated with this.

Net loss for the year is in line with the business plan.

Events after the reporting date

No events occurring after the reporting date have had significant influence on the Company's financial position at 31 December 2020.

Outlook 2021

Management expects a negative result for 2021. The result will be affected by the Company being in the start-up phase which is in line with the business plan.

Financial statements for the year 1 January – 31 December

Income statement

Note	EUR 1,000	2020	2019
	Gross profit	-23	-13
	Result from subsidiaries	-1,846	0
	Other financial expenses	-34	0
	Loss for the year	-1,903	-13
	Proposed distribution of loss		
	Retained earnings	-1,903	-13
		-1,903	-13

Financial statements for the year 1 January – 31 December

Statement of financial position

Note	EUR 1,000	2020	2019
	ASSETS		
	Financial assets		
3	Investment in subsidiaries	306,966	0
	Total financial assets	306,966	0
	Current assets		
4	Assets held for sale	0	300,000
	Other receivables	3	10,000
	Cash at hand and in bank	966	0
	Total current assets	969	310,000
	TOTAL ASSETS	307,935	310,000
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	6,400	400
	Share premium	153,600	9,600
	Retained earnings	-2,104	-13
	Total equity	157,896	9,987
	Current liabilities		
	Accrued costs	39	13
	Loan notes	0	150,000
	Total current liabilities	40	150,013
	Non-current liabilities		
5	Convertible loan notes	150,000	150,000
	Total non-current liabilities	150,000	150,000
	Total liabilities	150,040	300,013
	TOTAL EQUITY AND LIABILITIES	307,935	310,000

Financial statements for the year 1 January – 31 December

Equity

EUR 1,000	Share capital	Share premium	Retained earnings	Total
Equity 27 December 2019	400	9,600	0	10,000
Net loss	0	0	-13	-13
Equity 1 January 2020	400	9,600	-13	9,987
Net loss	0	0	-1,903	-1,903
Exchange rate adjustment	0	0	-188	-188
Capital increase	6,000	144,000	0	150,000
Equity 31 December 2020	6,400	153,600	-2,104	157,896

The share capital consists of 6,400,000 shares with a nominal value of EUR 1 per share. All shares are issued and fully paid. No shares carry special rights.

In March 2020 6,000,000 ordinary shares were issued with a total proceed of EUR 150 million by cash payment of EUR 75 million by Geely Sweden Holding AB and conversion of one loan note of EUR 75 million by Saxo Bank A/S. Share capital increased with EUR 6 million and EUR 144 million has been recognised as share premium within Equity.

- 1 Accounting policies
- 2 Staff costs
- 6 Contractual obligations and contingencies, etc.
- 7 Related parties
- 8 Consolidated financial statements

Financial statements for the year 1 January – 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Saxo Geely Tech Holding A/S for 2020 has been prepared in accordance with the Danish Financial Statements Act, reporting class B with addition of certain provisions for reporting class C.

The accounting policies applied in the preparation of the financial statements are consistent with those applied last year. The annual report is presented in EUR. All amounts have been rounded to the nearest thousand, except otherwise stated.

General about recognition and measurement

Income is recognised in the income statement as and when it is earned.

Any costs, including depreciations, amortisation, impairment, provisions and reversals due to changed accounting estimates of amounts previously recognised in the income statement, are also recognised in the income statement.

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

Liabilities are recognised in the statement of financial position when it is likely that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Foreign currency translation

The functional currency used is EUR. Other currencies are considered foreign currencies.

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 at the date of payment are recognised in the income statement as price and exchange rate adjustments.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as price and exchange rate adjustments.

On recognition of entities with a functional currency other than the presentation currency (EUR), the income statement is translated at the exchange rates at the transaction date, and the statement of financial position is translated at the exchange rates at the reporting date. An average exchange rate for the month is used as the exchange rate at the transaction date to the extent that this does not significantly deviate from the exchange rate at the transaction date.

Financial statements for the year 21 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Foreign exchange adjustments arising on translation of the opening balance of equity, and of the income statement on the reporting date, are presented in retained earnings in equity.

Income statement

Other external costs

Other external costs comprise consultancy costs etc.

Gross profit

Revenue and other external costs are presented as Gross profit in the income statement in accordance with the Danish Financial Statements Act §32.

Other financial expenses

Other financial expenses comprise interest expenses, realised and unrealised gains and losses related to financial assets and liabilities and foreign exchange rate adjustments, amortisation of financial assets and liabilities measured at amortised cost.

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense/income relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Statement of financial position

Investment in subsidiaries

Investments in subsidiaries are measured in accordance with the equity method, which means that the investments are measured at the parent company's proportionate share of the net asset value of the subsidiary at the reporting date. Profit or loss from the investment in subsidiary represents Geely Financial Technology A/S's share of the profit and loss after tax. The net revaluation is recognised in equity and represented in retained earnings.

Assets held for sale

On initial recognition assets held for sale are measured at cost.

Assets held for sale comprise current assets.

Assets are classified as held for sale when the carrying amount of the assets is expected to be recovered through a sale within 12 months from the reporting date in accordance with a formal plan rather than through continuing use. Such assets are measured at fair value less expected costs to sell.

Financial statements for the year 21 January – 31 December

Notes to the financial statements

1 Accounting policies (continued)

Assets once classified as held for sale are not amortised or depreciated.

Receivables

Receivables are measured at amortised cost less impairment.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the statement of financial position as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid.

Deferred tax is measured using the liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected value of their utilisation.

Liabilities

Financial liabilities comprising loan notes and other financial liabilities are measured at amortised cost.

Equity

Share premium

The share premium reserve comprise share premium paid in at capital increase.

Financial statements for the year 1 January – 31 December

Notes to the financial statements

2 Staff costs

The Company has no employees besides the Managing Director.

3 Investment in subsidiaries

(EUR 1,000)	2020
Cost 1 January	0
Addition	309,000
Cost 31 December	309,000
Revaluation 1 January	0
Net result	-1,846
Exchange rate adjustments	-188
Revaluation 31 December	-2,034
Carrying amount 31 December	306,966

Saxo Geely Holding A/S has in 2020 established the 100 % owned subsidiary Saxo Financial Technology Company Limited (Saxo FinTech) in Chongqing in China. Saxo FinTech was funded by a cash contribution of EUR 9 million and a contribution in kind of intangible assets of EUR 300 million. The purpose of the subsidiary is to provide financial and regulatory technology solutions to financial institutions such banks and fintech's in Mainland China.

4 Assets held for sale

Assets held for sale of EUR 300 million comprising intellectual property rights has been transferred to Saxo FinTech in 2020 and consideration for the IP rights comprise share capital in the subsidiary.

5 Convertible loan notes

Convertible loan notes of EUR 150 million is expected to fall due after 5 years.

Financial statements for the year 1 January – 31 December

Notes to the financial statements

6 Contractual obligations and contingencies, etc.

The subsidiary Saxo FinTech has been established with a registered capital of EUR 310 million and at the reporting date the paid-in capital amounts EUR 309 million. Saxo Geely Tech Holding has an obligation to pay in the remaining capital of EUR 1 million.

Besides this the Company has no contractual or contingent liabilities.

7 Related parties

No party has the controlling influence in Saxo Geely Tech Holding A/S. As at 31 December 2020, the following shareholders are registered as holders of more than 5% of the share capital of Saxo Geely Tech Holding A/S:

Geely Sweden Holdings AB, Theres Svenssoons Gata 13, SE-417 55 Göteborg

Saxo Bank A/S, Philip Heymans Allé 15, DK-2900 Hellerup

Transactions with related parties:

(EUR 1,000)	2020	2019
Parties with significant influence:		
Loan note	0	150,000
Convertible loan note	150,000	150,000
Purchase of intellectual property rights	0	300,000
Capital increase (including conversion of loan notes)	150,000	10,000
Other liabilities	31	0
Subsidiaries:		
Capital increase	309,000	0

8 Consolidated financial statements

No consolidated financial statements for Saxo Geely Tech Holding Group has been prepared in accordance with the Danish Financial Statements Act §110.