Saxo Geely Tech Holding A/S

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

Annual Report

2021

Approved on the general meeting 15 June 2022

Chairman:

Yifan Zhang

Saxo Geely Tech Holding A/S

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Statement by 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 2021.

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 2021 and of the results of the Company's operations for the financial period 1 January – 31 December 2021.

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, 15 June 2022

Board of Management:

Fan Xu

Board of Directors:

Yifan Zhang
Chairman

Donghui Li

Kim Fournais

Søren Kyhl

Independent auditor's 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 year 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basisfor 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 accordancewith 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

- 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 other-wise 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 15 June 2022

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Anders Oldau Gjelstrup
State-Authorised Public Accountant
Identification No (MNE) mne10777 MNE no 10777

Jens Ringbæk
State-Authorised Public Accountant
Identification No (MNE) mne27735

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)
	Donghui Li
	Kim Fournais
	Søren Kyhl
Board of Management	Fan Xu
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab
	Weidekampsgade 6
	2300 Copenhagen S

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 relevant to the attainment of these objects. At 31 December 2021 the investment in Saxo Financial Technology Company Limited (Saxo FinTech) is the sole investment made by the Company. The activity in Saxo FinTech is IT-development and related services.

Saxo FinTech has in November 2021 established a subsidiary in Chongqing China, however the subsidiary had no activity in 2021

Besides the Managing Director the Company has no employees.

Development in activities and financial matters
Result for the year shows a loss of EUR 9,687 thousand compared to a loss of EUR 1,903 thousand in 2020.

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

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 2021.

Outlook 2022
Management expects a negative result for 2022, due to the activities in Saxo FinTech still 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	(tEUR)	2021	2020
	Gross profit	**-16**	**-23**
	Result from investment subsidiaries	-9.647	-1.846
	Other financial expenses	-24	-34
	Loss before tax	**-9.687**	**-1.903**
	Tax on profit for the year	0	-
	Loss for the year	**-9.687**	**-1.903**
	Proposed distribution of profit		
	Equity method reserve	-9.647	-
	Retained earnings	-40	-1.903
		-9.687	**-1.903**

Financial statements for the year 1 January – 31 December

Statement of financial position

Note	(tEUR)	31 December 2021	31 December 2020
	ASSETS		
	Financial assets		
3	Investments in subsidiaries	343.259	306.966
	Total financial assets	**343.259**	**306.966**
	Current assets		
	Other receivables	0	3
	Cash at hand and in bank	944	966
	Total current assets	**944**	**969**
	Total assets	**344.203**	**307.935**
	LIABILITIES		
	Equity		
	Share capital	7.600	6.400
	Share premium	182.400	153.600
	Equity method reserve	19.259	-
	Retained earnings	-110	-2.104
	Total equity	**209.149**	**157.896**
	Current liabilities		
	Accrued costs	53	39
4	Loan notes	21.000	0
	Total current liabilities	**21.053**	**40**
	Non-current liabilities		
4	Convertible loan notes	114.000	150.000
	Total non-current liabilities	**114.000**	**150.000**
	Total liabilities	**135.053**	**150.040**
	Total equity and liabilities	**344.203**	**307.935**

Financial statements for the year 1 January – 31 December

Equity

Note (tEUR)

	Share capital	Share premium	Equity method reserve	Retained earnings	Total
Equity at 1 January 2020	400	9.600	-	-13	9.987
Net loss			-	-1.903	-1.903
Exchange rate adjustments - investments in subs.				-188	-188
Capital increase	6.000	144.000			150.000
Equity at 31 December 2020	**6.400**	**153.600**	-	**-2.104**	**157.896**
Reclassification to equity method reserve			-2.034	2.034	**0**
Net loss			-9.647	-40	**-9.687**
Exchange rate adjustments - investments in Subs.			30.940		**30.940**
Capital Increase	1.200	28.800			**30.000**
Equity at 31 December 2021	**7.600**	**182.400**	**19.259**	**-110**	**209.149**

The share capital consists of 7,600,000 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.

In June 2021 1.200,000 ordinary shares were issued with a total proceded of EUR 30 million by cash payment of EUR 15 million by Geely Sweden Holding AB and conversion of one loan note of EUR 15 milion by Saxo Bank A/S. Share capital increased with EUR 1 million and EUR 29 million has been recognised as share premium witin Equtiy.

1 Accounting policies
2 Staff costs
5 Related parties
6 Consolidated financial statements

Financial statements for the year 1 January – 31 December
Notes to the financial statements

Note

1 Accounting policies

The annual report of Saxo Geely Tech Holding A/S for 2021 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.

Reclassification
A reclassification is made within equity between equity method reserve and reserve for retained earnings. The reclassification is due to a positive net revaluation related to the investment in subsidiary 31 December 2021.

General about recognition and measurement
Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities, measured at fair value or at amortised cost.

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 EURO. 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.

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

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.

Note

1 **Account Policies continued**

Other external costs
Other external costs comprise consultancy costs etc.

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 subsidiaries at the reporting date. Result from the investment in subsidiaries represents share of the profit and loss after tax. The net revaluation is recognised in equity and presented in equity method reserve, if positive. if the net revaluation is negative, it is presented in reserve for retained earnings.

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

Equity method reserve
The equity method reserve comprises value adjustments of equity investments in subsidiaries according to the equity method. The reserves are reduced by the dividends distributed to Saxo Geely Tech Holding A/S, and other movements in the shareholders' equity of the investments, or if the equity investments are realised in whole or in part.

Note

2 Staff costs

The Company has no employees besides the Managing Director. No remuneation is paid.

3 Investment in subsidaries

(tEUR)	2021	2020
Cost 1 January	309.000	-
Capital injection Saxo Fintech	15.000	309.000
Cost 31 December	**324.000**	**309.000**
Revaluation 1 January	-2.034	-
Net result	-9.647	-1.846
Exchange rate adjustments	30.940	-188
Revaluation 31 December	**19.259**	**-2.034**
Carrying amount 31 December	**343.259**	**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.

In 2021 Saxo Geely Tech Holding A/S has made a capital increase of EUR 15 million in cash in the subsidiary.

4 Convertible loan notes

Convertible loan short term notes of EUR 21 million is expected to be converted into shares in 2022
Convertible loan long term of notes EUR 114 million is expected to fall due after 5 years.

Note

5 Related parties

No party has the controlling influence in Saxo Geely Tech Holding A/S. As at 31 December 2021, 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

(tEUR)	2021	2020
Parties with significant influence:		
Convertible loan note	135.000	150.000
Capital increase (including conversion of loan notes)	30.000	150.000
Other liabilities	53	31
Subsidaries:		
Capital increase, see note 3	15.000	309.000

6 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.