



Blackwood Seven A/S

Livjærgade 17, 3.
2100 Copenhagen Ø
CVR No. 32337422

Annual report 2020

The Annual General Meeting adopted the
annual report on 06.07.2021

Henrik Richard Hasselbalch Busch
Chairman of the General Meeting

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Entity details

Entity

Blackwood Seven A/S

Livjærgade 17, 3.

2100 Copenhagen Ø

CVR No.: 32337422

Registered office: Copenhagen

Financial year: 01.01.2020 - 31.12.2020

Board of Directors

Patrick Johan Viktor Ståhle, Chairman

Jacob Christian Bratting Pedersen

Carl Erik Kjærsgaard

Jean Adophe Schmitt

Roland Georg Wilhelm Dennert

Executive Board

Henrik Richard Hasselbalch Busch

Thomas Christian Bertelsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Blackwood Seven A/S for the financial year 01.01.2020 - 31.12.2020.

The annual report is presented 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 year 01.01.2020 - 31.12.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 06.07.2021

Executive Board

Henrik Richard Hasselbalch Busch

Thomas Christian Bertelsen

Board of Directors

Patrick Johan Viktor Ståhle
Chairman

Jacob Christian Bratting Pedersen

Carl Erik Kjærsgaard

Jean Adophe Schmitt

Roland Georg Wilhelm Dennert

Independent auditor's report

To the shareholders of Blackwood Seven A/S

Opinion

We have audited the financial statements of Blackwood Seven A/S for the financial year 01.01.2020 - 31.12.2020, which comprise the income statement, balance sheet, statement of changes in equity 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 year 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, 06.07.2021

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant

Identification No (MNE) mne32127

Mads Juul Hansen

State Authorised Public Accountant

Identification No (MNE) mne44386

Management commentary

Primary activities

Blackwood Seven A/S is a software company with a model engine by which advertisers will achieve optimal sales and marketing effects across all media channels through automated data modeling. By unifying the best performing strategic measuring approaches into one user friendly software platform powered by true A.I, we are challenging the traditional rigid, and one-dimensional approach to measuring media.

Description of material changes in activities and finances

The Company continues to see a strong market potential for its media analytics platform with interest in the marketplace.

The company continues to focus the future business only on software.

Financial results (EBITDA) are in line with expectations due to Covid-19 effect in way of delaying sale and onboarding of new clients as well as investments agreed by the Board of Directors.

The Company's capital situation has been improved in 2020 due to an increase of capital amounting to DKK 9,3 million.

Capital reduction (cancellation of treasury shares)

At the annual general meeting in 2020 the chairman presented the board of director's proposal to reduce the share capital, by the way of cancellation of the Company's own shares in the nominal amount of DKK 2.398.303. The proposal was approved, and B-shares and the B-share capital was therefore reduced by nominally DKK 2.398.303.

Events after the balance sheet date

Covid-19 has affected 2020 in way of delaying new customers acquiring the software. No existing customers has cancelled or reduced their setup. We have now seen a increase in demand for our solution. Both in our existing client base and in new clients. The primary reason is due to GDPR and CCPA regulations that increase the demand for an attribution set up that can provide a holistic attribution without cookies. Furthermore AlaaS is now a part om many Enterprise clients roadmap.

Income statement for 2020

| | Notes | 2020 DKK | 2019 DKK |
|--|-------|---------------------|---------------------|
| Revenue | | 15,403,606 | 13,369,929 |
| Other operating income | | 0 | 319,307 |
| Other external expenses | | (4,846,734) | (12,302,694) |
| Gross profit/loss | | 10,556,872 | 1,386,542 |
| Staff costs | 1 | (12,276,079) | (16,046,459) |
| Depreciation, amortisation and impairment losses | 2 | (12,054,473) | (12,419,183) |
| Operating profit/loss | | (13,773,680) | (27,079,100) |
| Income from investments in group enterprises | | 0 | 15,115,026 |
| Other financial income | 3 | 43,580 | 112,261 |
| Other financial expenses | 4 | (3,327,323) | (4,043,318) |
| Profit/loss before tax | | (17,057,423) | (15,895,131) |
| Tax on profit/loss for the year | 5 | 2,173,439 | 2,044,826 |
| Profit/loss for the year | | (14,883,984) | (13,850,305) |
| Proposed distribution of profit and loss: | | | |
| Retained earnings | | (14,883,984) | (13,850,305) |
| Proposed distribution of profit and loss | | (14,883,984) | (13,850,305) |

Balance sheet at 31.12.2020

Assets

| | Notes | 2020 DKK | 2019 DKK |
|----------------------------------|-------|-------------------|-------------------|
| Completed development projects | 7 | 14,755,661 | 16,930,977 |
| Intangible assets | 6 | 14,755,661 | 16,930,977 |
| Investments in group enterprises | | 17,366,851 | 17,366,851 |
| Deposits | | 154,387 | 150,621 |
| Financial assets | 8 | 17,521,238 | 17,517,472 |
| Fixed assets | | 32,276,899 | 34,448,449 |
| Trade receivables | | 2,269,299 | 3,217,376 |
| Other receivables | | 71,376 | 243,929 |
| Income tax receivable | | 2,173,439 | 2,044,826 |
| Prepayments | | 449,632 | 463,301 |
| Receivables | | 4,963,746 | 5,969,432 |
| Cash | | 21,401,057 | 13,943,744 |
| Current assets | | 26,364,803 | 19,913,176 |
| Assets | | 58,641,702 | 54,361,625 |

Equity and liabilities

| | Notes | 2020 DKK | 2019 DKK |
|--|--------------|---------------------|---------------------|
| Contributed capital | | 89,190,319 | 82,281,258 |
| Reserve for development expenditure | | 11,509,416 | 16,930,977 |
| Retained earnings | | (98,997,206) | (91,933,086) |
| Equity | | 1,702,529 | 7,279,149 |
| Other payables | | 13,005,149 | 10,262,428 |
| Non-current liabilities other than provisions | 9 | 13,005,149 | 10,262,428 |
| Current portion of non-current liabilities other than provisions | 9 | 20,292,651 | 13,799,770 |
| Trade payables | | 552,365 | 724,695 |
| Payables to group enterprises | | 17,001,627 | 17,366,851 |
| Other payables | | 3,627,531 | 2,729,957 |
| Deferred income | | 2,459,850 | 2,198,775 |
| Current liabilities other than provisions | | 43,934,024 | 36,820,048 |
| Liabilities other than provisions | | 56,939,173 | 47,082,476 |
| Equity and liabilities | | 58,641,702 | 54,361,625 |
| Unrecognised rental and lease commitments | 10 | | |
| Contingent liabilities | 11 | | |

Statement of changes in equity for 2020

| | Contributed capital DKK | Reserve for development expenditure DKK | Retained earnings DKK | Total DKK |
|---------------------------|-------------------------------|--|-----------------------------|------------------|
| Equity beginning of year | 82,281,258 | 16,930,977 | (91,933,086) | 7,279,149 |
| Increase of capital | 9,307,364 | 0 | 0 | 9,307,364 |
| Decrease of capital | (2,398,303) | 0 | 2,398,303 | 0 |
| Transfer to reserves | 0 | (5,421,561) | 5,421,561 | 0 |
| Profit/loss for the year | 0 | 0 | (14,883,984) | (14,883,984) |
| Equity end of year | 89,190,319 | 11,509,416 | (98,997,206) | 1,702,529 |

Notes

1 Staff costs

| | 2020 DKK | 2019 DKK |
|---------------------------------------|-------------------|-------------------|
| Wages and salaries | 19,303,637 | 23,061,765 |
| Other social security costs | 152,139 | 211,283 |
| Other staff costs | 23,492 | 40,973 |
| | 19,479,268 | 23,314,021 |
| Staff costs classified as assets | (7,203,189) | (7,267,562) |
| | 12,276,079 | 16,046,459 |
| Average number of full-time employees | 26 | 28 |

2 Depreciation, amortisation and impairment losses

| | 2020 DKK | 2019 DKK |
|---|-------------------|-------------------|
| Amortisation of intangible assets | 12,054,473 | 12,417,168 |
| Depreciation of property, plant and equipment | 0 | 2,015 |
| | 12,054,473 | 12,419,183 |

3 Other financial income

| | 2020 DKK | 2019 DKK |
|---------------------------|---------------|----------------|
| Exchange rate adjustments | 43,580 | 112,261 |
| | 43,580 | 112,261 |

4 Other financial expenses

| | 2020 DKK | 2019 DKK |
|---|------------------|------------------|
| Financial expenses from group enterprises | 0 | 280,189 |
| Other interest expenses | 68,978 | 73,992 |
| Exchange rate adjustments | 91,213 | 387,694 |
| Other financial expenses | 3,167,132 | 3,301,443 |
| | 3,327,323 | 4,043,318 |

5 Tax on profit/loss for the year

| | 2020 DKK | 2019 DKK |
|-------------|--------------------|--------------------|
| Current tax | (2,173,439) | (2,044,826) |
| | (2,173,439) | (2,044,826) |

6 Intangible assets

| | Completed development projects DKK |
|---|---|
| Cost beginning of year | 79,921,793 |
| Additions | 9,879,157 |
| Cost end of year | 89,800,950 |
| Amortisation and impairment losses beginning of year | (62,990,816) |
| Amortisation for the year | (12,054,473) |
| Amortisation and impairment losses end of year | (75,045,289) |
| Carrying amount end of year | 14,755,661 |

7 Development projects

The Blackwood Seven platform, including features for data collection and storage, for data analysis, predictive modeling, and media buying, is our Company's most significant intangible asset. The cost of having developed it mainly comprises man-hours spent by our internal staff supplemented by significant resources spent on external expert consultants.

The Engineering and Product Management regularly assess the value of this asset based on the future market potential and our growth expectations.

8 Financial assets

| | Investments in group enterprises DKK | Deposits DKK |
|--------------------------------------|---|-----------------|
| Cost beginning of year | 48,331,547 | 150,621 |
| Additions | 0 | 3,766 |
| Cost end of year | 48,331,547 | 154,387 |
| Impairment losses beginning of year | (30,964,696) | 0 |
| Impairment losses end of year | (30,964,696) | 0 |
| Carrying amount end of year | 17,366,851 | 154,387 |

9 Non-current liabilities other than provisions

| | Due within 12 months 2020 DKK | Due within 12 months 2019 DKK | Due after more than 12 months 2020 DKK | Outstanding after 5 years 2020 DKK |
|----------------|--|--|--|---|
| Other payables | 20,292,651 | 13,799,770 | 13,005,149 | 12,501,592 |
| | 20,292,651 | 13,799,770 | 13,005,149 | 12,501,592 |

10 Unrecognised rental and lease commitments

| | 2020 DKK | 2019 DKK |
|--|----------------|----------------|
| Liabilities under rental or lease agreements until maturity in total | 356,018 | 473,075 |

11 Contingent liabilities

The company has entered into an agreement with the lender regarding an exit obligation. The obligation is triggered by an exit defined by loan agreement. If a Founder's or the Investor's share in the Borrower are transferred for a gross proceeds per share, which is more than four times as high as the price per share in connection with the Equity Investment, the Borrower shall pay the Lender a bonus equal to the Principal (7.795.378 DKK and 3.055.000 DKK). Any interest payments to the lender shall be deducted from the bonus and the loan amount will also be due for full and final repayment at the same time as the payment of the Bonus.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and equipment comprise

amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods

used are 3 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 7 years.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.