Hello Retail ApS

Skelbækgade 2, 3.tv, 1717 København V

CVR no. 32 44 97 43

Annual report 2021

Approved at the Company's annual general meeting on 21 June 2022

Chair of the meeting:

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Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Hello Retail ApS for the financial year 1 January - 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 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 be approved at the annual general meeting.

Copenhagen, 21 June 2022
Executive Board:

Kasper Refskou Jensen

Board of Directors:

Jesper Genter Lohmann Chair	Kasper Refskou Jensen	Niels Henrik Rasmussen
Allan Dam Nielsen	Mads Riisager Gustafsen	

Independent auditor's report

To the shareholders of Hello Retail ApS

Opinion

We have audited the financial statements of Hello Retail ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 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 the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements 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 as to 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 the 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 Company's internal control.

Independent auditor's report

- 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 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 the note disclosures, 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's review

Management is responsible for the Management's review.

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

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

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 21 June 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Mogens Andreasen
State Authorised Public Accountant
mne28603

Management's review

Company details

Name	Hello Retail ApS
Address, Postal code, City	Skelbækgade 2, 3.tv, 1717 København V
CVR no.	32 44 97 43
Established	15 September 2009
Registered office	København
Financial year	1 January - 31 December
Board of Directors	Jesper Genter Lohmann, Chair Kasper Refskou Jensen Niels Henrik Rasmussen Allan Dam Nielsen Mads Riisager Gustafsen
Executive Board	Kasper Refskou Jensen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark
Bankers	Danske Bank Jyske Bank

Management's review

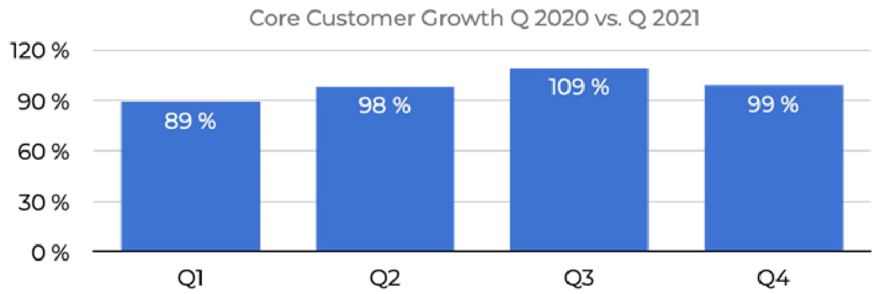
Business review

Hello Retail offers a suite of products for online retailers who seek to increase both the conversion and retention rates on their ecommerce platforms. Our CRO (Conversion Rate Optimization) solution offered as SaaS is the market leader in our home market (the Nordics) within our core customer segment. We have in the year of 2021 accelerated out market entry into the Benelux.

Financial review

New development of activities and financial matters

During 2021 we witnessed a continued increase in demand for CRO solutions.Our gross profit grew by 69,8%to 23.608 tDKK, mainly driven by our core customer segment representing more than 87%of our total ARR (annualized recurring revenue), which showed a substantial increase compared to 2020.



The management considers the net result of –2.631 tDKK for 2021 satisfactory and according to our ambitious growth plans.

Present year activities and R&D new developments

We experience a very positive development in both entry subscription price and the average account value from existing customers.

We are seeing a continuing of positive Net Retention Rates (NRR), which shows that we are able to expand revenues from the existing customer base.

We have launched a new product to our product portfolio and it shows good traction and reasons strongly with our offering to our customer segment.

Our ability to ensure positive NRR is very satisfactory because positive NRR both shows a customer base that is willing to expand its partnership with our company; i.e. high customer satisfaction and it also implies a strong compounding effect for future growth.

Along with our expansion to new markets, we also plan to build new offerings as a base of our ecommerce intelligence platform and our strong CRO solution. We are seeing an increased demand for new ways of personalization and conversion rate optimization products, that is not based out of customer tracking, and we have a strong roadmap for ensuring new personalization methodologies and customer journey optimized solutions for our customers.

Events after the balance sheet date

No events have occured after the balance sheet date, which materially affect the financial position of the company.

Outlook

The company plans to take further steps for growing internationally and have initiated sales activities towards new markets and increased focus on partnerships. The financial development of the company is looking healthy and we expect both the ARR and the value of our existing customer base to grow significantly. Our main focus is to strengthen and further develop our product offering as well as scale further in new markets as well as established markets (Nordics and Benelux).

Financial statements 1 January - 31 December

Income statement

Note	DKK	2021	2020
	Gross profit	23,707,979	13,961,635
2	Staff costs	-25,590,758	-16,606,902
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,165,800	-680,050
	Profit/loss before net financials	-3,048,579	-3,325,317
	Financial income	14,794	101,957
	Financial expenses	-1,004,694	-731,101
	Profit/loss before tax	-4,038,479	-3,954,461
3	Tax for the year	1,407,064	1,353,070
	Profit/loss for the year	-2,631,415	-2,601,391

Recommended appropriation of profit/loss		
Reserve for development costs	5,221,476	2,610,621
Retained earnings/accumulated loss	-7,852,891	-5,212,012
	-2,631,415	-2,601,391

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2021	2020
	ASSETS		
	Non-current assets		
4	**Intangible assets**		
	Completed development projects	3,983,150	5,148,950
	Development projects in progress and prepayments for intangible assets	10,027,000	2,167,000
		14,010,150	7,315,950
5	**Property, plant and equipment**		
	Leasehold improvements	335,053	0
		335,053	0
	Financial assets		
	Deposits, investments	526,463	392,048
		526,463	392,048
	Total non-current assets	14,871,666	7,707,998
	Current assets		
	Receivables		
	Trade receivables	2,812,575	2,255,800
	Income taxes receivable	2,537,908	1,595,241
	Other receivables	3,866,048	7,570,868
	Deferred income	131,005	53,392
		9,347,536	11,475,301
	Cash	3,099,193	1,851,720
	Total current assets	12,446,729	13,327,021
	TOTAL ASSETS	27,318,395	21,035,019

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2021	2020
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	410,350	404,804
	Share premium account	18,958,050	16,463,388
	Reserve for development costs	10,927,917	5,706,441
	Retained earnings	-30,048,913	-22,196,022
	Total equity	247,404	378,611
	Liabilities		
6	**Non-current liabilities**		
	Deferred tax	1,373,015	242,171
	Payables to shareholders and management	11,275,866	11,885,069
	Other payables	3,355,166	1,689,780
	Total non-current liabilities	16,004,047	13,817,020
	Current liabilities		
	Trade payables	1,117,344	585,912
	Payables to shareholders and management	1,625,716	1,362,602
	Other payables	8,323,884	4,890,874
	Total current liabilities	11,066,944	6,839,388
	Total liabilities	27,070,991	20,656,408
	TOTAL EQUITY AND LIABILITIES	27,318,395	21,035,019

1 Accounting policies
7 Contractual obligations and contingencies, etc.
8 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Share premium account	Reserve for development costs	Retained earnings	Total
Equity at 1 January 2021	404,804	16,463,388	5,706,441	-22,196,022	378,611
Capital increase	5,546	2,494,662	0	0	2,500,208
Transfer through appropriation of loss	0	0	5,221,476	-7,852,891	-2,631,415
Equity at 31 December 2021	410,350	18,958,050	10,927,917	-30,048,913	247,404

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies**

The annual report of Hello Retail ApS for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

In accordance with the Danish Business Authority's clarification in May 2021, financial statement items regarding equity investments in associates have been renamed to equity investments in participating interests as the financial statement items must be designated as such when the entity only holds equity investments in associates.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Intangible assets

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities areidentifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 5 years.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK		2021	2020
2	**Staff costs**		
	Wages/salaries	25,238,899	16,477,707
	Other social security costs	351,453	118,670
	Other staff costs	406	10,525
		25,590,758	16,606,902
	Average number of full-time employees	54	37
3	**Tax for the year**		
	Estimated tax charge for the year	-2,537,908	-1,595,241
	Deferred tax adjustments in the year	1,130,844	242,171
		-1,407,064	-1,353,070

Tax receivable comprises of the tax value of the company's total development activities in 2021, which will be paid to the company in November 2022 in accordance with the Danish Tax Assessment Act § 8X.

4 **Intangible assets**

DKK	Completed development projects	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2021	5,829,000	2,167,000	7,996,000
Additions in the year	0	7,860,000	7,860,000
Cost at 31 December 2021	5,829,000	10,027,000	15,856,000
Impairment losses and amortisation at 1 January 2021	680,050	0	680,050
Amortisation/depreciation in the year	1,165,800	0	1,165,800
Impairment losses and amortisation at 31 December 2021	1,845,850	0	1,845,850
Carrying amount at 31 December 2021	3,983,150	10,027,000	14,010,150

Financial statements 1 January - 31 December

Notes to the financial statements

5 Property, plant and equipment

DKK	Leasehold improvements
Additions in the year	335,053
Cost at 31 December 2021	335,053
Carrying amount at 31 December 2021	335,053

Depreciated over

Note 8 provides more details on security for loans, etc. as regards property, plant and equipment.

6 Non-current liabilities

DKK	Total debt at 31/12 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Deferred tax	1,373,015	0	1,373,015	0
Payables to shareholders and management	12,901,582	1,625,716	11,275,866	711,647
Other payables	3,355,166	0	3,355,166	0
	17,629,763	1,625,716	16,004,047	711,647

7 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent liabilities:

DKK	2021	2020
Rent liabilities	4,805,138	504,972

8 Collateral

The Company has provided a company charge comprising unsecured claims regarding the sale of goods and services, goodwill, domain names and rights under the Patents Act, the Trademark Act, the Design Act, the Utility Model Act and the Patents and Designs Act, fixtures and fittings, tools and equipment as well as plant and machinery and other consumables totalling DKK 7,650 thousand as security for debt to the Danish Growth Fund (Vækstfonden) and 1,250 thousand as security to Danske Bank.

The Company has not provided any security or other collateral in assets at 31 December 2021.

"By my signature I confirm all dates and content in this document."

Allan Dam Nielsen
Client Signer
On behalf of: Hello Retail ApS
Serial number: c596c7c3-785c-47c8-afd7-6cb05f803a1b
IP: 87.62.xxx.xxx
2022-06-21 19:06:56 UTC

Mads Riisager Gustafsen
Client Signer
On behalf of: Hello Retail ApS
Serial number: 9579091e-4298-43b3-afac-baa4d494dd7b
IP: 91.196.xxx.xxx
2022-06-22 07:38:02 UTC

Jesper Genter Lohmann
Client Signer
On behalf of: Hello Retail ApS
Serial number: PID:9208-2002-2-106163488861
IP: 176.22.xxx.xxx
2022-06-22 15:35:38 UTC

Kasper Refskou Jensen
Client Signer
On behalf of: Hello Retail ApS
Serial number: PID:9208-2002-2-098098227945
IP: 83.91.xxx.xxx
2022-06-23 21:18:39 UTC

Niels Henrik Rasmussen
Client Signer
On behalf of: Hello Retail ApS
Serial number: PID:9208-2002-2-503546358334
IP: 2.104.xxx.xxx
2022-06-24 06:02:31 UTC

Mogens Andreasen
EY Signer
On behalf of: EY Godkendt Revisionspartnerselskab
Serial number: CVR:30700228-RID:47025179
IP: 145.62.xxx.xxx
2022-06-24 06:15:38 UTC