Charlie Tango A/S

Rosenvængets Allé 11, 2.

2100 København Ø

CVR No. 21029807

Annual Report 2020/21

23. financial year

Årsrapporten blev godkendt på
selskabets ordinære generalforsamling
The annual report was approved at the
annual general meeting of the company

Dato/Date 31. august 2021

Marie-Louise Nesheim
Dirigent/chair

Contents

Management's Statement

Today, Management has considered and adopted the Annual Report of Charlie Tango A/S for the financial year 1 April 2020 - 31 March 2021.

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 assets, liabilities and financial position of the Company at 31 March 2021 and of the results of the Company's operations and cash flow for the financial year 1 April 2020 - 31 March 2021.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 August 2021

Executive Board

Martin Nebelong Olsen
CEO

Board of Directors

Merete Søby Chair	Anne-Lykke Mau Jacobsen	Jannich Lund

Independent Auditors' Report

To the shareholders of Charlie Tango A/S

Opinion
We have audited the financial statements of Charlie Tango A/S for the financial year 1 April 2020 - 31 March 2021, comprising 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 Company's assets, liabilities and financial position at 31 March 2021 and of the results of the Company's operations for the financial year 1 April 2020 - 31 March 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 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 requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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.

Independent Auditors' Report

The 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.

- 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 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.

Independent Auditors' Report

Management is responsible for the Management's review.
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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, 31 August 2021

KPMG
Statsautoriseret Revisionspartnerselskab
CVR-no. 25578198

David Olafsson
State Authorised Public Accountant
mne19737

Kenn Wolff Hansen
State Authorised Public Accountant
mne30154

Company details

Company	Charlie Tango A/S Rosenvængets Allé 11, 2. 2100 København Ø
CVR No.	21029807
Registered office	København
Board of Directors	Merete Søby Anne-Lykke Mau Jacobsen Jannich Lund
Executive Board	Martin Nebelong Olsen, CEO

Management's Review

The Company's principal activities
The Company's principal activities consist in development of innovative digital products, services and solutions across digital platforms as well as investments in other companies.

Development in activities and financial matters
The Company's Income Statement of the financial year 1 April 2020 - 31 March 2021 shows a result of TDKK 9.440 and the Balance Sheet at 31 March 2021 a balance sheet total of TDKK 29.542 and an equity of TDKK -5.007.

The effect of COVID-19 is limited on the company due to the nature of activity.

Capital ressources and liquidity
The Company is financed through its parent company and have thereby sufficient capital ressources available to continue its operations.

The company has lost its´ Share Capital. Management expect that the Share Capital will be re-established through ordinary operation in the coming years.

Subsequent events
After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Income Statement

	Note	2020/21 DKK'000	2019/20 DKK'000
Gross profit		**28.924**	**27.854**
Staff expenses	1	-39.982	-52.453
Depreciation expenses		-844	-1.010
Loss from ordinary operating activities		**-11.902**	**-25.609**
Other financial income		62	53
Financial expenses	2	-224	-185
Loss before tax		**-12.064**	**-25.741**
Tax expense for the year		2.624	5.663
Loss for the year	3	**-9.440**	**-20.078**

Balance Sheet as of 31 March

	Note	2021 DKK'000	2020 DKK'000
Assets			
Fixtures, fittings, tools and equipment		675	1.250
Leasehold improvements		294	370
Property, plant and equipment		**969**	**1.620**
Deposits		605	541
Investments		**605**	**541**
Fixed assets		**1.574**	**2.161**
Trade receivables		10.208	4.534
Construction contracts	4	4.298	4.422
Receivables from group enterprises		1.556	2.683
Deferred tax		4.567	240
Tax receivables from group enterprises		2.665	6.790
Prepayments	5	153	360
Current Assets		**23.447**	**19.029**
Cash and cash equivalents		**4.521**	**1.202**
Current assets		**27.968**	**20.231**
Assets		**29.542**	**22.392**

Balance Sheet as of 31 March

	Note	2021 DKK'000	2020 DKK'000
Liabilities and equity			
Share capital		752	752
Retained earnings		-5.759	3.680
Equity		**-5.007**	**4.432**
Other payables		3.998	0
Long-term liabilities other than provisions	6	**3.998**	**0**
Construction Contracts		1.043	1.870
Trade payables		985	2.667
Payables to group enterprises		23.126	1.262
Other payables		5.397	12.161
Short-term liabilities other than provisions		**30.551**	**17.960**
Liabilities other than provisions		**34.549**	**17.960**
Liabilities and equity		**29.542**	**22.392**
Contingent liabilities	7		
Related parties	8		

Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity 1 April 2020	752	3.680	4.432
Profit (loss)		-9.440	-9.440
Equity 31 March 2021	**752**	**-5.760**	**-5.008**

The company has lost its´ Share Capital. Management expect that the Share Capital will be re-established through ordinary operation in the coming years.

The share capital has remained unchanged for the last 5 years.

Accounting Policies

Reporting Class
The Annual Report of Charlie Tango A/S for 2020/21 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

Reporting currency
The Annual Report is presented in Danish kroner (DKK).

Translation policies
Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement
Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss
The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, other operation income and other external expenses.

Revenue
Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the byer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive og VAT and net of sales discounts.

Income from delivery of services is recognised on a straight-line basis in net sales, as the service is delivered.

Revenue from construction contracts are recognised as revenue as production is carried out, whereby net revenue corresponds to the selling price of the work performed for the year. When the outcome of a contractual contact can not be estimated reliably, revenue is recognized only in relation to the costs incurred.

The completion rate for measuring the output of the production is calculated on the basis of the costs consumed in relation to the latest cost estimate.

Other external expenses
Other external costs include costs for distribution, sales, advertising, administration, premises, loss of debitors, operating leasing costs etc.

Staff expenses
Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimburdement, pensions and social security costs.

Depreciation
Depreciation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful lives of the assets in the Company. Useful lives and residual values are reassessed annually. Non-current assets are depreciated on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life
Fixtures and fittings, tools and equipment	3-10 years
Leasehold improvements	5-10 years

Accounting Policies

Financial income and expenses
Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding financial assets and liabilites denominated in foreign currencies.

Tax on net profit for the year
Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Tangible assets
Tangible assets are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are seperately depreciated if the usefull lives of the individual components differ.

The carrying amounts of tangible assets and property plant and equipment are tested annually to determine whether there is any indication of impairment other than what is expressed by amortisation and depreciation. If so, the assets are tested for impairment to determine whether the recoverable amounts are lower than the carrying amounts and the relevant assets are written down to such lower recoverable amounts. An impairment test is carried out annually of ongoing development projects, whether or not there is any indication of impairment.

The recoverable amount of an asset is determined as the higher of the net sales price and the value in use. Where the recoverable amount of the individual assets cannot be determined, the assets are grouped together into the smallest group of assets that can be estimated to determine an aggregate reliable recoverable amount for those units.

Receivables
Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accounting Policies

Construction contracts
Construction contracts in progress are measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the estimated total income from the individual work in progress. The stage of completion is determined on the basis of costs incurred in relation to expected total costs.

Deduction for loss is determined as the total expected contract loss, irrespective of the share actually performed.

The value of the individual supplies in progress less invoicing on account is classified as receivables if the amounts are positive and as payables if the amounts are negative.

Prepayments
Prepayments are recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity
Proposed dividend for the year is recognised as a separate item in equity.

Deferred tax
Deferred tax and the associated adjustments for the year are determined according to the balance-sheet method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities
Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities
Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Other liabilities are measured at net realizable value.

Notes

1. Staff expenses

	2020/21	2019/20
	DKK'000	DKK'000
Wages and salaries	36.151	49.741
Pensions	3.529	2.574
Social security contributions	302	138
	39.982	**52.453**
Average number of employees	52	66

2. Financial expenses

Financial expenses to group enterprises	108	128
Other financial expenses	116	57
	224	**185**

3. Distribution of profit (loss)

	2020/21	2019/20
	DKK'000	DKK'000
Retained earnings	-9.440	-20.078
	-9.440	**-20.078**

4. Construction contracts

Sales value of work	9.963	4.422
Progress billings on construktion contracts	-6.708	-1.870
Net value of contract work	**3.255**	**2.552**
Recognized as follows in the balance sheet:		
Construction contracts assets	4.298	4.422
Construction contracts liabilities	-1.043	-1.870
	3.255	**2.552**

5. Prepayments

Prepaid costs mainly relate to costs relating to third-party service contracts relating to software, maintemanance and consulting.

6. Long-term liabilities

	Due within 1 year	Due between 1 -5 years	Due after 5 years
	DKK'000	DKK'000	DKK'000
Other payables	5.397	0	3.998
	5.397	**0**	**3.998**

Notes

7. Contingent liabilities

The Company has rental commitments totaling DKK 6.8 million of which DKK 2.7 million is due within 1 year and DKK 4.2 million is due between 1 and 5 years.

Charlie Tango is jointly taxed with the other Danish companies in the KMD Group. The joint taxation also covers withholding tax in the form of tax on dividends, royalties and interest. The Danish companies are jointly and severally liable for the joint taxation. Any subsequent corrections to the taxable income subject to joint taxation or withholding taxes may lead to a higher liability.

8. Related parties

Charlie Tango A/S is fully owned by KMD A/S which is a part of the KMD Group. The Company is ultimately a 100% owned subsidiary of NEC Corporation and is included in the consolidated financial statements of NEC Corporation.

A copy of the Consolidated Financial Statements can be obtained through the Company Secretary at Lautrupparken 40, 2750 Ballerup, Denmark.