



Mitel Denmark A/S

Arne Jacobsens Allé 15
2300 København S
CVR No. 12101392

Annual report 2019

The Annual General Meeting adopted the
annual report on 24.06.2020

Claes Henrik Kolare
Chairman of the General Meeting

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Entity details

Entity

Mitel Denmark A/S
Arne Jacobsens Allé 15
2300 København S

CVR No.: 12101392
Registered office: København
Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Richard Eric Hodgetts, formand
Gregory James Hiscock
Claes Henrik Kolare

Executive Board

Claes Henrik Kolare, direktør

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P. O. Box 1600
0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Mitel Denmark A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 24.06.2020

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direktør

Board of Directors

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Claes Henrik Kolare

Independent auditor's extended review report

To the shareholders of Mitel Denmark A/S

Report on extended review of the financial statements

Conclusion

We have performed an extended review of the financial statements of Mitel Denmark A/S for the financial year 01.01.2019 - 31.12.2019, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. We are independent of the Entity 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 requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

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 extended review 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 extended review 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 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.

Violation of accounting legislation, including the Danish Bookkeeping Act

Without qualifying our opinion, we point out that the accounting records of the Company for the financial year 2019 was retained outside Danish borders. This procedure was against the Danish Bookkeeping Act.

Subsequently the company has changes the procedures and as of January 2019 the issue has been resolved. Consequently, as of January 15, 2019 the company comply with the Danish bookkeeping Act

Copenhagen, 24.06.2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556



Flemming Larsen

State Authorised Public Accountant

Identification No (MNE) mne27790

Management commentary

Primary activities

Mitel Denmark A/S' primary activities are acting as trading company for the Mitel Technologies Group's products and services in Denmark.

Mitel Denmark A/S only deals with B2B. The primary targets for the company's primary activities are large companies and governmental institutions. The company deals its products and solutions through specialized dealers in Denmark.

From 1 November 2016, the company's activity is to facilitate sales to Danish customers on behalf of the group enterprise. Mitel Denmark A/S is compensated for this activity through a consignment agreement.

Development in activities and finances

The net result of the year 2019 is 348 t.DKK. The result is as expected.

Events after the balance sheet date

The COVID-19 outbreak has escalated in the beginning of 2020, and on 11. marts 2020 WHO has declared the outbreak for a worldwide. The outbreak has resulted in a number of precautions that affect the organization and operation of day-to-day operations, and the Group's suppliers and costumers may be affected. Its economic impact cannot be determined at this time.

In addition to the above no signifiant events of significance to the annual report have occurred after the balance sheet date.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue		5,742,601	10,234,617
Other external expenses		(3,213,967)	(4,503,692)
Gross profit/loss		2,528,634	5,730,925
Staff costs	1	(2,255,177)	(5,441,818)
Depreciation, amortisation and impairment losses		0	(20,262)
Operating profit/loss		273,457	268,845
Other financial income	2	(726)	233,422
Other financial expenses	3	3,709	(14,904)
Profit/loss before tax		276,440	487,363
Tax on profit/loss for the year	4	65,327	(125,716)
Profit/loss for the year		341,767	361,647
Proposed distribution of profit and loss:			
Retained earnings		341,767	361,647
Proposed distribution of profit and loss		341,767	361,647

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		0	0
Property, plant and equipment	5	0	0
Fixed assets		0	0
Receivables from group enterprises		12,978,992	13,758,043
Deferred tax		20,000	32,790
Other receivables		157,113	390,218
Prepayments		12,178	7,159
Receivables		13,168,283	14,188,210
Cash		1,313,441	1,980,820
Current assets		14,481,724	16,169,030
Assets		14,481,724	16,169,030

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital	6	2,000,000	2,000,000
Retained earnings		11,501,628	11,159,861
Equity		13,501,628	13,159,861
Other payables		81,245	0
Non-current liabilities other than provisions	7	81,245	0
Trade payables		365,571	369,315
Payables to group enterprises		102,335	0
Income tax payable		41,304	221,756
Other payables	8	389,641	2,418,098
Current liabilities other than provisions		898,851	3,009,169
Liabilities other than provisions		980,096	3,009,169
Equity and liabilities		14,481,724	16,169,030

Unrecognised rental and lease commitments 9

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2,000,000	11,159,861	13,159,861
Profit/loss for the year	0	341,767	341,767
Equity end of year	2,000,000	11,501,628	13,501,628

Notes

1 Staff costs

	2019	2018
	DKK	DKK
Wages and salaries	1,943,801	4,868,670
Pension costs	309,216	482,541
Other social security costs	20,084	16,877
Other staff costs	(17,924)	73,730
	2,255,177	5,441,818
Average number of full-time employees	5	7

2 Other financial income

	2019	2018
	DKK	DKK
Exchange rate adjustments	(726)	233,422
	(726)	233,422

3 Other financial expenses

	2019	2018
	DKK	DKK
Exchange rate adjustments	8	0
Other financial expenses	(3,717)	14,904
	(3,709)	14,904

4 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	41,304	221,756
Change in deferred tax	12,790	0
Adjustment concerning previous years	(119,421)	(96,040)
	(65,327)	125,716

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	1,528,436	218,013
Cost end of year	1,528,436	218,013
Depreciation and impairment losses beginning of year	(1,528,436)	(218,013)
Depreciation and impairment losses end of year	(1,528,436)	(218,013)
Carrying amount end of year	0	0

6 Share capital

	Number	Par value DKK	Nominal value DKK
Ordinary shares	2,000	1,000	2,000,000
	2,000		2,000,000

7 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK
Other payables	81,245
	81,245

8 Other payables

	2019 DKK	2018 DKK
VAT and duties	(5,377)	0
Wages and salaries, personal income taxes, social security costs, etc payable	69,452	191,424
Holiday pay obligation	325,566	724,586
Other costs payable	0	1,502,088
	389,641	2,418,098

9 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	130,165	970,644

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 manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

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, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

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 or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and 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 or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment 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.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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.

Income tax receivable or payable

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