

MOMENT A/S

Vester Farimagsgade 15, 5.
1606 København V
Central Business Registration
No 25328949

Annual report 2019

The Annual General Meeting adopted the annual report on 27.04.2020

Chairman of the General Meeting

Name: Bo Foged

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Entity details

Entity

MOMENT A/S

Vester Farimagsgade 15, 5.

1606 København V

Central Business Registration No (CVR): 25328949

Registered in: Copenhagen

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Bo Foged, chairman

Thomas Gleerup

James Patrick Howaldt

Morten Thune Højberg

Line Rix

Executive Board

Morten Thune Højberg

Thomas Gleerup

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of MOMENT 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 and cash flows 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, 27.04.2020

Executive Board

Morten Thune Højberg

Thomas Gleerup

Board of Directors

Bo Foged
chairman

Thomas Gleerup

James Patrick Howaldt

Morten Thune Højberg

Line Rix

Independent auditor's report

To the shareholders of MOMENT A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of MOMENT 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, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2019, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2019 - 31.12.2019 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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

Independent auditor's report

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 consolidated financial statements and these parent 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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 auditor's report

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 27.04.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Morten Speitzer
State Authorised Public Accountant
Identification No (MNE) mne10057

Hans Tauby
State Authorised Public Accountant
Identification No (MNE) mne44339

Management commentary

	2019 DKK'000	2018 DKK'000	2017 DKK'000	2016 DKK'000	2015 DKK'000
Financial highlights					
Key figures					
Revenue	333.636	292.977	278.131	279.681	236.335
Gross profit/loss	49.180	48.455	43.219	49.580	45.343
Operating profit/loss	10.831	9.426	2.999	7.336	6.689
Net financials	(1.150)	435	(38)	3	(426)
Profit/loss for the year	7.531	8.461	2.277	5.709	4.751
Total assets	69.893	58.087	48.262	54.631	50.874
Investments in property, plant and equipment	935	157	223	92	668
Equity	17.752	17.138	11.641	16.275	17.486
Ratios					
Gross margin (%)	14,7	16,5	15,5	17,7	19,2
Net margin (%)	2,3	2,9	0,8	2,0	2,0
Return on equity (%)	42,4	58,8	16,3	33,8	23,7
Equity ratio (%)	25,4	29,5	24,1	29,8	34,4

Upon the requirements of group annual report in 2019, the financial highlights for the period 2015-2018 have not been adjusted, and only consists of the financial figures for Moment A/S.

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

Moment A/S is engaged in the following areas:

- Temp job services specialized in students and young people
- Temp job services focusing on full-time temp jobs
- Consultancy, interim and recruiting services with focus on specialist

The Company has existed since 1997 and has nationwide reach from the head office in Copenhagen.

Development in activities and finances

2019 profit are in particular influenced by increase in demand from existing customers and rising demand during holiday seasons.

Financial expenses are affected by uncertainty regarding the valuation of the Company's shares in Chabs ApS. The shares are written down to DKK 0.

Year-end trade receivables are relatively higher than previous year-end and during the year 2019 due to seasonality in sales.

The new holiday law has had a positive impact on the Company's cash balance as a result of the change in time of taxation. In addition, it has resulted in long-term debt, which the Company plans to retain and manage.

Profit/loss for the year in relation to expected developments

The company's positive development has continued, but the competitive situation has meant that gross profit growth is less effected. The profit for the year of DKK 7,5 million, hence is considered satisfactory.

Outlook

In 2019, the Company has won several tenders, which are expected to continuously grow the business.

The IT activities are sold to the 100% owned subsidiary Netgen ApS as per January 2020. Peter Keller-Andreasen is hired to head and develop the subsidiary with own brand and systems.

Profit 2020 is expected to be in the range of DKK 5 to 10 million.

Particular risks

The temporary staffing industry is cyclical, as the industry works with offering flexible staffing solutions. Basically, the temporary staffing industry have favourable terms when changes occur in the business sector. Many companies find it attractive to use temporary staffing in uncertain times, when permanent employment is not an option, however, at times with shortage of staff and market growth it can be attractive to cooperate with a temporary staffing agency. As a rule, the temporary staffing industry works well in both the ups and

Management commentary

downs of the business sector. In certain extraordinary occasions in history, we have witnessed the temporary staffing industry being hit hard temporarily, if the entire business sector suddenly stops, as was the case during the financial crisis and again today with the Corona epidemic. In such situations, many companies choose to use their right to quickly terminate their agreements with the temporary staffing agencies causing the temporary staffing agency to lose revenue. The other way around, when the business sector needs to employ staff, revenue increases in the temporary staffing industry, as it is effective for the user entities to recruit the right resources through the temporary staffing agencies.

Management of Moment closely monitors the financial development following the Corona epidemic so that the company can adjust its performance and expenses according to the market situation. During the last two years, Moment has been preparing for a potential economic downturn and it has thus deliberately focused on having clients in the lower end of the cyclical scale. For example, Moment has been elected as preferred supplier at Statens & Kommunernes Indkøbsservice (SKI) on agreement 17.17 temporary staffing services.

Vikarbureauernes Brancheforening (VB)

Vikarbureauernes Brancheforening (Temporary staffing industry association) ensures that its members meet the ethical guidelines and complies with applicable law and covenants through a continuous check of the members by an external auditor. VB works to ensure orderly conditions for flexible workers. The CEO of Moment is Chairman of VB.

Intellectual capital resources

The Company is a member of UN Global Compact, hence submit an annual report to the organization.

An important goal for the company is to have a high employee satisfaction score. Annual measurements are made that are supported by absence statistics and the statutory workplace assessment

Environmental performance

The Company's environmental impact is primarily sought to be minimized in connection with electricity consumption, the purchase of office furniture, PCs and the recycling of the waste paper.

Research and development activities

Moment A/S continuously invest in new solutions for the customers and optimization of internal processes. The Company has in 2019 invested in development projects including optimization of the digital platform Momentos.

Events after the balance sheet date

The outbreak of coronavirus/COVID-19 has escalated in the beginning of 2020, and WHO has on March 11th 2020 declared the outbreak to be a worldwide pandemic. The outbreak has resulted in a series of precautions, that affects the daily operations, both for the Company, suppliers, customers and other business partners. The economic effect cannot be measured at this time.

Management commentary

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Expected development

Possible negative effects of the COVID-19 pandemic has not been included in the outlook for 2020, as the economic effects cannot be measured at this time.

Consolidated income statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Revenue		333.636	292.977
Cost of sales		(272.323)	(230.880)
Other external expenses		(12.133)	(13.642)
Gross profit/loss		49.180	48.455
Staff costs	2	(37.077)	(38.008)
Depreciation, amortisation and impairment losses	3	(1.272)	(1.021)
Operating profit/loss		10.831	9.426
Other financial income		6	627
Other financial expenses	4	(1.156)	(192)
Profit/loss before tax		9.681	9.861
Tax on profit/loss for the year	5	(2.150)	(1.400)
Profit/loss for the year	6	7.531	8.461

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Completed development projects		2.150	1.913
Acquired intangible assets		785	370
Goodwill		183	360
Development projects in progress		266	201
Intangible assets	7	<u>3.384</u>	<u>2.844</u>
Other fixtures and fittings, tools and equipment		1.024	286
Leasehold improvements		119	268
Property, plant and equipment	8	<u>1.143</u>	<u>554</u>
Other investments		0	960
Other receivables		59	59
Fixed asset investments	9	<u>59</u>	<u>1.019</u>
Fixed assets		<u>4.586</u>	<u>4.417</u>
Trade receivables		63.650	47.584
Other receivables		467	194
Income tax receivable		48	0
Prepayments	10	1.118	937
Receivables		<u>65.283</u>	<u>48.715</u>
Cash		<u>24</u>	<u>4.955</u>
Current assets		<u>65.307</u>	<u>53.670</u>
Assets		<u>69.893</u>	<u>58.087</u>

Consolidated balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Contributed capital		764	764
Reserve for development expenditure		1.884	1.649
Retained earnings		15.104	12.725
Proposed dividend		0	2.000
Equity		<u>17.752</u>	<u>17.138</u>
Deferred tax	11	435	559
Other provisions	12	83	65
Provisions		<u>518</u>	<u>624</u>
Other payables	13	11.209	0
Non-current liabilities other than provisions		<u>11.209</u>	<u>0</u>
Bank loans		2.699	0
Trade payables		4.088	2.009
Income tax payable		0	943
Other payables	14	33.303	37.040
Deferred income	15	324	333
Current liabilities other than provisions		<u>40.414</u>	<u>40.325</u>
Liabilities other than provisions		<u>51.623</u>	<u>40.325</u>
Equity and liabilities		<u>69.893</u>	<u>58.087</u>
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2019

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000
Equity beginning of year	764	1.649	12.725
Dividends from treasury shares	0	0	24
Ordinary dividend paid	0	0	0
Extraordinary dividend paid	0	0	(4.941)
Transfer to reserves	0	235	(235)
Profit/loss for the year	0	0	7.531
Equity end of year	764	1.884	15.104

	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	2.000	17.138
Dividends from treasury shares	(24)	0
Ordinary dividend paid	(1.976)	(1.976)
Extraordinary dividend paid	0	(4.941)
Transfer to reserves	0	0
Profit/loss for the year	0	7.531
Equity end of year	0	17.752

Consolidated cash flow statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Operating profit/loss		10.831	9.426
Amortisation, depreciation and impairment losses		1.268	1.021
Other provisions		18	65
Working capital changes	16	(6.978)	(4.310)
Cash flow from ordinary operating activities		5.139	6.202
Financial income received		6	67
Financial expenses paid		(196)	(192)
Income taxes refunded/(paid)		(3.265)	(550)
Cash flows from operating activities		1.684	5.527
Acquisition etc of intangible assets		(1.499)	(1.675)
Acquisition etc of property, plant and equipment		(898)	(157)
Acquisition of fixed asset investments		0	(350)
Cash flows from investing activities		(2.397)	(2.182)
Repayments of loans etc		0	(68)
Dividend paid		(6.917)	(2.965)
Cash flows from financing activities		(6.917)	(3.033)
Increase/decrease in cash and cash equivalents		(7.630)	312
Cash and cash equivalents beginning of year		4.955	4.643
Cash and cash equivalents end of year		(2.675)	4.955
Cash and cash equivalents at year-end are composed of:			
Cash		24	4.955
Short-term debt to banks		(2.699)	0
Cash and cash equivalents end of year		(2.675)	4.955

Notes to consolidated financial statements

1. Events after the balance sheet date

The outbreak of coronavirus/COVID-19 has escalated in the beginning of 2020, and WHO has on March 11th 2020 declared the outbreak to be a worldwide pandemic. The outbreak has resulted in a series of precautions, that affects the daily operations, both for the Company, suppliers, customers and other business partners. The economic effect cannot be measured at this time.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

	2019 DKK'000	2018 DKK'000
2. Staff costs		
Wages and salaries	35.278	36.621
Pension costs	2.206	2.122
Other social security costs	510	551
Staff costs classified as assets	(917)	(1.286)
	37.077	38.008
Average number of employees	734	654
	Remunera- tion of manage- ment 2019 DKK'000	Remunera- tion of manage- ment 2018 DKK'000
Executive Board	4.335	4.461
Board of Directors	200	200
	4.535	4.661

Cost of sales comprises direct and indirect costs for salaries for temporary workers as described in accounting policies. Total wages including temporary worker amount to DKK 300,759 in 2019 and DKK 260,078 in 2018.

	2019 DKK'000	2018 DKK'000
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	959	754
Depreciation of property, plant and equipment	309	267
Impairment losses on property, plant and equipment	4	0
	1.272	1.021

Notes to consolidated financial statements

	2019 DKK'000	2018 DKK'000
4. Other financial expenses		
Other interest expenses	95	73
Fair value adjustments	960	0
Other financial expenses	101	119
	1.156	192

	2019 DKK'000	2018 DKK'000
5. Tax on profit/loss for the year		
Current tax	2.274	1.869
Change in deferred tax	(124)	(455)
Adjustment concerning previous years	0	(14)
	2.150	1.400

	2019 DKK'000	2018 DKK'000
6. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	0	2.000
Retained earnings	7.531	6.461
	7.531	8.461

	Completed develop- ment projects DKK'000	Acquired intangible assets DKK'000	Goodwill DKK'000	Develop- ment projects in progress DKK'000
7. Intangible assets				
Cost beginning of year	2.555	666	864	201
Transfers	852	0	0	(852)
Additions	0	589	0	917
Disposals	0	(159)	(7)	0
Cost end of year	3.407	1.096	857	266
Amortisation and impairment losses beginning of year	(642)	(296)	(504)	0
Amortisation for the year	(615)	(174)	(170)	0
Reversal regarding disposals	0	159	0	0
Amortisation and impairment losses end of year	(1.257)	(311)	(674)	0
Carrying amount end of year	2.150	785	183	266

Notes to consolidated financial statements

Development projects

Development projects comprises direct and indirect costs attributable to the Entity's digital platform Momentos.

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
8. Property, plant and equipment		
Cost beginning of year	1.346	1.673
Additions	901	0
Disposals	(35)	(3)
Cost end of year	2.212	1.670
Depreciation and impairment losses beginning of year	(1.060)	(1.405)
Depreciation for the year	(160)	(149)
Reversal regarding disposals	32	3
Depreciation and impairment losses end of year	(1.188)	(1.551)
Carrying amount end of year	1.024	119
	Other investments DKK'000	Other receivables DKK'000
9. Fixed asset investments		
Cost beginning of year	350	59
Disposals	(350)	0
Cost end of year	0	59
Revaluations beginning of year	610	0
Revaluations end of year	610	0
Impairment losses for the year	(610)	0
Impairment losses end of year	(610)	0
Carrying amount end of year	0	59

10. Prepayments

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

Notes to consolidated financial statements

	2019 DKK'000
11. Deferred tax	
Changes during the year	
Beginning of year	558
Recognised in the income statement	(123)
End of year	435

12. Other provisions

Other provisions comprises of paid deposit regarding rental of premises.

	2019 DKK'000	2018 DKK'000
13. Other long-term payables		
Holiday pay obligation	11.209	0
	11.209	0

	2019 DKK'000	2018 DKK'000
14. Other short-term payables		
VAT and duties	8.970	7.300
Wages and salaries, personal income taxes, social security costs, etc payable	6.841	7.135
Holiday pay obligation	14.572	19.335
Other costs payable	2.920	3.270
	33.303	37.040

15. Short-term deferred income

Deferred income consists of payments received in respect of income in subsequent years.

	2019 DKK'000	2018 DKK'000
16. Change in working capital		
Increase/decrease in receivables	(16.520)	(8.188)
Increase/decrease in trade payables etc	9.542	3.878
	(6.978)	(4.310)

	2019 DKK'000	2018 DKK'000
17. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	3.299	5.988

Liabilities under rental or lease agreements until maturity in total The Company's bank has provided a guarantee of DKK 1,535 thousand to the Company's rental commitment.

Notes to consolidated financial statements

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
18. Subsidiaries			
Netgen ApS	Copenhagen	ApS	100,0

Parent income statement for 2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Revenue		333.636	292.977
Cost of sales		(272.323)	(230.880)
Other external expenses		(12.133)	(13.642)
Gross profit/loss		49.180	48.455
Staff costs	2	(37.077)	(38.008)
Depreciation, amortisation and impairment losses	3	(1.272)	(1.021)
Operating profit/loss		10.831	9.426
Other financial income	4	6	627
Other financial expenses	5	(1.156)	(192)
Profit/loss before tax		9.681	9.861
Tax on profit/loss for the year	6	(2.150)	(1.400)
Profit/loss for the year	7	7.531	8.461

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Completed development projects		2.150	1.913
Acquired intangible assets		785	370
Goodwill		183	360
Development projects in progress		266	201
Intangible assets	8	3.384	2.844
Other fixtures and fittings, tools and equipment		1.024	286
Leasehold improvements		119	268
Property, plant and equipment	9	1.143	554
Investments in group enterprises		40	0
Other investments		0	960
Other receivables		59	59
Fixed asset investments	10	99	1.019
Fixed assets		4.626	4.417
Trade receivables		63.650	47.584
Receivables from group enterprises		419	0
Other receivables		427	194
Income tax receivable		48	0
Prepayments	11	699	937
Receivables		65.243	48.715
Cash		24	4.955
Current assets		65.267	53.670
Assets		69.893	58.087

Parent balance sheet at 31.12.2019

	<u>Notes</u>	<u>2019 DKK'000</u>	<u>2018 DKK'000</u>
Contributed capital	12	764	764
Reserve for development expenditure		1.884	1.649
Retained earnings		15.104	12.725
Proposed dividend		0	2.000
Equity		17.752	17.138
Deferred tax	13	435	559
Other provisions	14	83	65
Provisions		518	624
Other payables	15	11.209	0
Non-current liabilities other than provisions		11.209	0
Bank loans		2.699	0
Trade payables		4.088	2.009
Income tax payable		0	943
Other payables		33.303	37.040
Deferred income	16	324	333
Current liabilities other than provisions		40.414	40.325
Liabilities other than provisions		51.623	40.325
Equity and liabilities		69.893	58.087
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	17		
Contingent liabilities	18		

Parent statement of changes in equity for 2019

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000
Equity beginning of year	764	1.649	12.725
Dividends from treasury shares	0	0	24
Ordinary dividend paid	0	0	0
Extraordinary dividend paid	0	0	(4.941)
Transfer to reserves	0	235	(235)
Profit/loss for the year	0	0	7.531
Equity end of year	764	1.884	15.104

	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	2.000	17.138
Dividends from treasury shares	(24)	0
Ordinary dividend paid	(1.976)	(1.976)
Extraordinary dividend paid	0	(4.941)
Transfer to reserves	0	0
Profit/loss for the year	0	7.531
Equity end of year	0	17.752

Notes to parent financial statements

1. Events after the balance sheet date

The outbreak of coronavirus/COVID-19 has escalated in the beginning of 2020, and WHO has on March 11th 2020 declared the outbreak to be a worldwide pandemic. The outbreak has resulted in a series of precautions, that affects the daily operations, both for the Company, suppliers, customers and other business partners. The economic effect cannot be measured at this time.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

	2019 DKK'000	2018 DKK'000
2. Staff costs		
Wages and salaries	35.278	36.621
Pension costs	2.206	2.122
Other social security costs	510	551
Staff costs classified as assets	(917)	(1.286)
	37.077	38.008
Average number of employees	734	654
	Remunera- tion of manage- ment 2019 DKK'000	Remunera- tion of manage- ment 2018 DKK'000
Executive Board	4.335	4.461
Board of Directors	200	200
	4.535	4.661

Cost of sales comprises direct and indirect costs for salaries for temporary workers as described in accounting policies. Total wages including temporary workers amount to DKK thousand 300,759 in 2019 and DKK 270,174 thousand in 2018.

	2019 DKK'000	2018 DKK'000
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	959	754
Depreciation of property, plant and equipment	309	267
Impairment losses on property, plant and equipment	4	0
	1.272	1.021

Notes to parent financial statements

	2019 DKK'000	2018 DKK'000
4. Other financial income		
Other interest income	3	0
Fair value adjustments	0	610
Other financial income	3	17
	6	627
	2019 DKK'000	2018 DKK'000
5. Other financial expenses		
Other interest expenses	95	73
Fair value adjustments	960	0
Other financial expenses	101	119
	1.156	192
	2019 DKK'000	2018 DKK'000
6. Tax on profit/loss for the year		
Current tax	2.274	1.869
Change in deferred tax	(124)	(455)
Adjustment concerning previous years	0	(14)
	2.150	1.400
	2019 DKK'000	2018 DKK'000
7. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	0	2.000
Transferred to other statutory reserves	0	612
Retained earnings	7.531	5.849
	7.531	8.461

Notes to parent financial statements

	Completed develop- ment projects DKK'000	Acquired intangible assets DKK'000	Goodwill DKK'000	Develop- ment projects in progress DKK'000
8. Intangible assets				
Cost beginning of year	2.555	666	864	201
Transfers	852	0	0	(852)
Additions	0	589	0	917
Disposals	0	(159)	(7)	0
Cost end of year	3.407	1.096	857	266
Amortisation and impairment losses beginning of year	(642)	(296)	(504)	0
Amortisation for the year	(615)	(174)	(170)	0
Reversal regarding disposals	0	159	0	0
Amortisation and impairment losses end of year	(1.257)	(311)	(674)	0
Carrying amount end of year	2.150	785	183	266

Development projects

Development projects comprises direct and indirect costs attributable to the Entity's digital platform Momentos.

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improve- ments DKK'000
9. Property, plant and equipment		
Cost beginning of year	1.346	1.673
Additions	901	0
Disposals	(35)	(3)
Cost end of year	2.212	1.670
Depreciation and impairment losses beginning of year	(1.060)	(1.405)
Depreciation for the year	(160)	(149)
Reversal regarding disposals	32	3
Depreciation and impairment losses end of year	(1.188)	(1.551)
Carrying amount end of year	1.024	119

Notes to parent financial statements

	Invest- ments in group enterprises DKK'000	Other investments DKK'000	Other receivables DKK'000
10. Fixed asset investments			
Cost beginning of year	0	350	59
Additions	40	0	0
Disposals	0	(350)	0
Cost end of year	40	0	59
Revaluations beginning of year	0	610	0
Revaluations end of year	0	610	0
Impairment losses for the year	0	(610)	0
Impairment losses end of year	0	(610)	0
Carrying amount end of year	40	0	59

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

11. Prepayments

Prepayments concern prepaid costs.

12. Contributed capital

The share capital consists of 7,642,765 shares at DKK 0.10. The shares have not been divided into classes. The Company holds 90,447 (1.1834%) treasury shares shares at a nominal value of DKK 9,045.

	2019 DKK'000
13. Deferred tax	
Changes during the year	
Beginning of year	559
Recognised in the income statement	(124)
End of year	435

14. Other provisions

Other provisions comprises of paid deposit regarding rental of premises.

Notes to parent financial statements

	2019 DKK'000	2018 DKK'000
15. Other long-term payables		
Holiday pay obligation	11.209	0
	11.209	0

16. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

	2019 DKK'000	2018 DKK'000
17. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	3.299	5.988

The Company's bank has provided a guarantee of DKK 1,535 thousand to the Company's rental commitment.

18. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

Non-comparability

The consolidated financial statements comprise Moment A/S (the Parent) and Netgen ApS (subsidiary) that are controlled by the Parent. The consolidated figures for 2018 have not been adjusted, and only consists of the financial figures for Moment A/S.

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.

Consolidated financial statements

The consolidated financial statements comprise Moment A/S (the Parent) and Netgen ApS (subsidiary) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Accounting policies

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

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.

Cost of sales

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 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.

Expenses concerning internal development projects that do not fulfil the criteria for recognition in the balance sheet are also recognised in other external expenses.

Staff costs

Staff costs comprise salaries and wages as well as 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, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividend etc received from the individual group enterprises in the financial year.

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 as well as tax relief under the Danish

Accounting policies

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 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. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry, whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

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

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights are measured at cost less accumulated amortisation. Software is amortised straight-line over its estimated useful life which is five years.

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.

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 on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Accounting policies

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. The amortisation period is five years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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	3-8 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the differences between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement as adjustment to depreciation and impairment losses, or under operating income if the selling price exceeds original cost.

Investments in group enterprises

In the parent financial statements, 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

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Receivables

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

Accounting policies

Other investments

Other investments comprise unlisted securities which are measured at fair value (market price) at the balance sheet date.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated 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.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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 is measured based on the tax regulations and tax rates of the relevant countries that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

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.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Accounting policies

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.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.