Techedge ApS

Dampfærgevej 3, 4., DK-2100 Copenhagen Ø

Annual Report for 1 January - 31 December 2019

CVR No 25 57 37 30

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 19/6 2020

Jens Høg Thomsen
Chairman of the General Meeting

Contents

Management’s Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Techedge ApS for the financial year 1 January - 31 December 2019.

The Annual Report is 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 financial position at 31 December 2019 of the Group and the Company and of the results of the Group and Company operations and of consolidated cash flows for 2019.

In our opinion, 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, 19 June 2020

Executive Board

Søren Holmberg Andersen

Board of Directors

Keld Lunda Nielsen Chairman	Manish Bhatia	Andreas Velter
Henrik Sahlholt		

Independent Auditor's Report

To the Shareholders of Techedge ApS

Opinion
We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Techedge ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2019 and of the results of the Group's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 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 Company Financial Statements" section of our report. We are independent of the Group 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 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 Parent Company Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company 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 company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements and the Parent Company Financial Statements, Management is responsible for assessing the Group's and 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 Consolidated Financial Statements and the Parent Company Financial Statements unless Management either intends to liquidate the Group or the Company 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 Parent Company Financial Statements
Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements and the Parent Company Financial Statements as a whole are free from material misstatement, whether

Independent Auditor's Report

due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements and the Parent Company 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 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 and the Group'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 Company 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 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 Consolidated Financial Statements and the Parent Company 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Consolidated Financial Statements and the Parent Company Financial Statements, including the disclosures, and whether the Consolidated Financial Statements and the Parent Company 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

Independent Auditor’s Report

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.

Statement on Management’s Review
Management is responsible for Management’s Review.

Our opinion on the Consolidated Financial Statements and the Parent Company Financial Statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the Consolidated Financial Statements and the Parent Company Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management’s Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management’s Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management’s Review.

Copenhagen, 19 June 2020
Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No 33 96 35 56

Nikolaj Thomsen
statsautoriseret revisor
mne33276

Company Information

The Company	Techedge ApS Dampfærgevej 3, 4. DK-2100 Copenhagen Ø Telephone: + 45 35314080 E-mail: mail@grouptechedge.com Website: www.grouptechedge.com CVR No: 25 57 37 30 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen
Board of Directors	Keld Lunda Nielsen, Chairman Manish Bhatia Andreas Velter Henrik Sahlholt
Executive Board	Søren Holmberg Andersen
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 DK-2300 Copenhagen S
Bankers	Jyske Bank Vesterbrogade 9 DK-1780 Copenhagen V

Financial Highlights

Seen over a five-year period, the development of the Group is described by the following financial highlights:

	Group				
	2019	2018	2017	2016	2014/15
	TDKK	TDKK	TDKK	TDKK	TDKK
Key figures					
Profit/loss					
Gross profit/loss	179.171	156.971	117.180	113.164	140.486
Operating profit/loss	114.613	93.666	83.694	78.940	95.557
Net financials	2.534	733	-1.654	-612	2.609
Net profit/loss for the year	91.810	73.966	65.539	62.579	75.983
Balance sheet					
Balance sheet total	319.069	306.580	94.094	99.876	78.301
Equity	268.552	254.598	73.916	78.798	53.616
Cash flows					
Cash flows from:					
including investment in property, plant and equipment	-2.763	-2.866	-615	-246	1.716
Number of employees	68	69	39	39	40
Ratios					
Return on equity	35,1%	45,0%	85,8%	94,5%	151,3%
Equity ratio	83,4%	83,1%	78,5%	78,9%	68,5%

Financial highlights are defined and calculated in accordance with the recommendations & ratios issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

The key figures from 2014/15 contain 18 months.

Management's Review

Key activities

The company's primary activity is development of software and related activities.

Development in activities and finances

The group finds the growth and profit for the year to be satisfying and exceeds the latest announced expectations. The positive development is attributable to both organic growth and the acquired businesses.

Expectations for 2020

Before the outbreak of Covid-19, The management expected a positive increase in profit before tax compared to 2019 due to the expectation of full effects from the acquisitions back in 2018 and accessing new customer segments.

As a consequence of the Covid-19 crisis the management has reassessed is expectations of the year, and now budget for a lower Gross profit and profit before tax, though still expected to be higher than the company performance for 2019. It is not possible at this time to make a reliable estimate of the overall impact that the outbreak and spread of Covid-19 will have on the company and its results for 2020.

Knowledge resources

The Company possesses knowledge of the industry- and the market which enables the Company and its organization to operate efficiently in the sector for software development. This knowledge is maintained on an ongoing basis by gathering relevant information and by improving the skills and qualifications of the staff.

The staff and its experience are vital to the management and further development of the Company and Management therefore makes efforts to maintain the staff by continuously organizing and developing the organization for it to be an attractive place to work.

Events after the balance sheet date

In early 2020, the outbreak of the Coronavirus disease (Covid-19) escalated, and on 11 March 2020, the WHO declared it a worldwide pandemic. The outbreak has led to several precautions that affect the planning and execution of day-to-day operations, and the Company's suppliers, business partners and customers may be affected as well. Year to date it has no or very little impact to our business, the financial impact in the coming months cannot be determined at this stage.

Besides Covid-19, no events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	Consolidated 2019	Consolidated 2018	Parent 2019	Parent 2018
		DKK	DKK	DKK	DKK
Gross profit/loss		**179.171.207**	**156.971.028**	**82.575.579**	**76.465.755**
Staff expenses	1	-48.667.890	-48.554.397	-22.751.691	-21.178.426
Depreciation, amortisation and impairment of property, plant and equipment	2	-15.890.736	-14.750.337	-1.356.315	-460.582
Profit/loss before financial income and expenses		**114.612.581**	**93.666.294**	**58.467.573**	**54.826.747**
Income from investments in subsidiaries		0	0	43.569.302	29.823.274
Financial income	3	2.807.119	1.537.298	3.370.400	2.303.824
Financial expenses		-273.315	-803.872	-112.609	-606.245
Profit/loss before tax		**117.146.385**	**94.399.720**	**105.294.666**	**86.347.600**
Tax on profit/loss for the year	4	-25.336.564	-20.433.875	-13.484.845	-12.381.755
Net profit/loss for the year		**91.809.821**	**73.965.845**	**91.809.821**	**73.965.845**

Balance Sheet 31 December

Assets

	Note	Consolidated 2019	Consolidated 2018	Parent 2019	Parent 2018
		DKK	DKK	DKK	DKK
Acquired licenses		29.349.982	33.018.730	0	0
Customer database		70.505.156	74.422.109	0	0
Goodwill		67.921.178	73.337.646	0	0
Intangible assets	5	**167.776.316**	**180.778.485**	**0**	**0**
Other fixtures and fittings, tools and equipment		3.900.318	2.885.612	3.328.738	1.922.797
Property, plant and equipment	6	**3.900.318**	**2.885.612**	**3.328.738**	**1.922.797**
Investments in subsidiaries	7	0	0	186.065.998	173.688.680
Deposits	8	1.018.079	1.033.067	625.477	607.577
Fixed asset investments		**1.018.079**	**1.033.067**	**186.691.475**	**174.296.257**
Fixed assets		**172.694.713**	**184.697.164**	**190.020.213**	**176.219.054**
Trade receivables		17.203.968	20.795.784	9.134.087	4.570.766
Receivables from group enterprises		41.808.263	0	75.049.747	45.068.444
Receivables from associates		15.451	0	15.451	0
Other receivables		284.326	2.057.759	66.248	295.794
Deferred tax asset	11	0	0	67.206	35.327
Prepayments	9	997.589	2.196.732	671.489	1.650.453
Receivables		**60.309.597**	**25.050.275**	**85.004.228**	**51.620.784**
Cash at bank and in hand		**86.064.298**	**96.832.668**	**9.991.668**	**38.112.150**
Currents assets		**146.373.895**	**121.882.943**	**94.995.896**	**89.732.934**
Assets		**319.068.608**	**306.580.107**	**285.016.109**	**265.951.988**

Balance Sheet 31 December

Liabilities and equity

	Note	Consolidated 2019	Consolidated 2018	Parent 2019	Parent 2018
		DKK	DKK	DKK	DKK
Share capital		621.118	621.118	621.118	621.118
Reserve for net revaluation under the equity method		0	0	61.289.516	38.871.833
Retained earnings		267.931.245	175.976.791	206.641.729	137.104.958
Proposed dividend for the year		0	78.000.000	0	78.000.000
Equity		**268.552.363**	**254.597.909**	**268.552.363**	**254.597.909**
Provision for deferred tax	11	21.900.924	23.601.658	0	0
Provisions		**21.900.924**	**23.601.658**	**0**	**0**
Other payables		784.137	0	784.137	0
Long-term debt		**784.137**	**0**	**784.137**	**0**
Trade payables		1.228.801	1.593.874	1.185.379	1.309.815
Payables to group enterprises		0	0	3.485.744	0
Corporation tax		15.453.400	13.119.481	4.635.372	3.542.459
Other payables		6.118.867	9.300.399	3.060.260	3.620.859
Deferred income	12	5.030.116	4.366.786	3.312.854	2.880.946
Short-term debt		**27.831.184**	**28.380.540**	**15.679.609**	**11.354.079**
Debt		**28.615.321**	**28.380.540**	**16.463.746**	**11.354.079**
Liabilities and equity		**319.068.608**	**306.580.107**	**285.016.109**	**265.951.988**

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Statement of Changes in Equity

Consolidated

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	621.118	0	175.976.788	78.000.000	254.597.906
Ordinary dividend on treasury shares	0	0	0	-78.000.000	-78.000.000
Exchange adjustments	0	0	144.636	0	144.636
Net profit/loss for the year	0	0	91.809.821	0	91.809.821
Equity at 31 December	**621.118**	**0**	**267.931.245**	**0**	**268.552.363**

Parent

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 January	621.118	38.871.833	137.104.955	78.000.000	254.597.906
Ordinary dividend on treasury shares	0	0	0	-78.000.000	-78.000.000
Exchange adjustments	0	144.636	0	0	144.636
Dividend from group enterprises	0	-31.336.620	31.336.620	0	0
Net profit/loss for the year	0	53.609.667	38.200.154	0	91.809.821
Equity at 31 December	**621.118**	**61.289.516**	**206.641.729**	**0**	**268.552.363**

Cash Flow Statement 1 January - 31 December

	Note	Consolidated 2019	2018
		DKK	DKK
Net profit/loss for the year		91.809.821	73.965.845
Adjustments	13	37.607.409	34.771.513
Change in working capital	14	-37.343.469	-5.029.934
Cash flows from operating activities before financial income and expenses		**92.073.761**	**103.707.424**
Financial income		2.807.120	1.537.299
Financial expenses		-273.315	-803.872
Cash flows from ordinary activities		**94.607.566**	**104.440.851**
Corporation tax paid		-24.627.469	-20.102.141
Cash flows from operating activities		**69.980.097**	**84.338.710**
Purchase of intangible assets		0	-38.496.583
Acquisition etc of property, plant and equipment		-2.763.454	-2.866.453
Fixed asset investments made etc		14.987	-258.892
Cash flows from investing activities		**-2.748.467**	**-41.621.928**
Cash capital increase		0	37.369.030
Dividend paid		-78.000.000	-65.000.000
Cash flows from financing activities		**-78.000.000**	**-27.630.970**
Change in cash and cash equivalents		**-10.768.370**	**15.085.812**
Cash and cash equivalents at 1 January		96.832.668	81.746.856
Cash and cash equivalents at 31 December		**86.064.298**	**96.832.668**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		86.064.298	96.832.668
Cash and cash equivalents at 31 December		**86.064.298**	**96.832.668**

Notes to the Financial Statements

		Consolidated		Parent	
		2019	2018	2019	2018
		DKK	DKK	DKK	DKK
1	**Staff expenses**				
	Wages and salaries	46.356.338	46.363.063	22.069.601	20.076.664
	Other social security expenses	1.497.124	745.358	161.677	175.557
	Other staff expenses	814.428	1.445.976	520.413	926.205
		48.667.890	**48.554.397**	**22.751.691**	**21.178.426**
	Average number of employees	**68**	**69**	**22**	**22**

In accordance with Danish Financial Statements Act §98 b, section 2 information is not provided regardings management salaries.

		Consolidated 2019	Consolidated 2018	Parent 2019	Parent 2018
2	**Depreciation, amortisation and impairment of property, plant and equipment**				
	Amortisation of intangible assets	14.141.986	13.950.149	0	0
	Depreciation of property, plant and equipment	1.748.750	800.188	1.356.315	460.582
		15.890.736	**14.750.337**	**1.356.315**	**460.582**

		Consolidated 2019	Consolidated 2018	Parent 2019	Parent 2018
3	**Financial income**				
	Interest received from group enterprises	0	0	1.230.506	940.376
	Other financial income	530.405	128	0	0
	Exchange gains	2.276.714	1.537.170	2.139.894	1.363.448
		2.807.119	**1.537.298**	**3.370.400**	**2.303.824**

Notes to the Financial Statements

4 Tax on profit/loss for the year

	Consolidated		Parent	
	2019	2018	2019	2018
	DKK	DKK	DKK	DKK
Current tax for the year	27.133.778	22.169.134	13.613.204	12.445.972
Deferred tax for the year	-1.700.734	-1.617.400	-31.879	51.454
Adjustment of tax concerning previous years	1.520	-117.859	-96.480	-115.671
Adjustment of deferred tax concerning previous years	-98.000	0	0	0
	25.336.564	**20.433.875**	**13.484.845**	**12.381.755**

5 Intangible assets

Consolidated

	Acquired licenses	Customer database	Goodwill
	DKK	DKK	DKK
Cost at 1 January	36.687.478	78.339.062	79.731.744
Exchange adjustment	0	0	1.357.426
Cost at 31 December	36.687.478	78.339.062	81.089.170
Impairment losses and amortisation at 1 January	3.668.748	3.916.953	6.394.098
Exchange adjustment	0	0	217.609
Amortisation for the year	3.668.748	3.916.953	6.556.285
Impairment losses and amortisation at 31 December	7.337.496	7.833.906	13.167.992
Carrying amount at 31 December	**29.349.982**	**70.505.156**	**67.921.178**
Amortised over	10 years	20 years	10 years

Notes to the Financial Statements

6 Property, plant and equipment

Consolidated

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	6.773.662
Additions for the year	2.763.456
Disposals for the year	-8.502
Cost at 31 December	9.528.616
Impairment losses and depreciation at 1 January	3.888.050
Depreciation for the year	1.748.750
Impairment and depreciation of sold assets for the year	-8.502
Impairment losses and depreciation at 31 December	5.628.298
Carrying amount at 31 December	**3.900.318**

Parent

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	5.496.303
Additions for the year	2.762.255
Cost at 31 December	8.258.558
Impairment losses and depreciation at 1 January	3.573.505
Depreciation for the year	1.356.315
Impairment losses and depreciation at 31 December	4.929.820
Carrying amount at 31 December	**3.328.738**

Notes to the Financial Statements

		Parent	
		2019	2018
		DKK	DKK
7	**Investments in subsidiaries**		
	Cost at 1 January	134.816.845	790.968
	Additions for the year	0	134.025.880
	Cost at 31 December	134.816.845	134.816.848
	Value adjustments at 1 January	38.871.832	34.800.031
	Exchange adjustment	144.636	320.727
	Net profit/loss for the year	53.609.668	39.863.637
	Dividend to the Parent Company	-31.336.620	-26.072.200
	Amortisation of goodwill	-10.040.363	-10.040.363
	Value adjustments at 31 December	51.249.153	38.871.832
	Carrying amount at 31 December	**186.065.998**	**173.688.680**
	Positive differences arising on initial measurement of subsidiaries at net asset value	130.955.862	130.955.862

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Techedge America Inc.	FL Miami	1.057.920	100%
Techedge UK	Taunton	868	100%
Techedge Asia Pacific, Singapore Pte. Ltd.	Singapore	366	100%
Kantar Tech Spain S.L.	Barcelona	9.295.989	100%

8 Other fixed asset investments

	Consolidated	Parent
	Deposits	Deposits
	DKK	DKK
Cost at 1 January	1.033.067	607.577
Additions for the year	17.900	17.900
Disposals for the year	-32.888	0
Cost at 31 December	1.018.079	625.477
Carrying amount at 31 December	**1.018.079**	**625.477**

Notes to the Financial Statements

9 Prepayments

Prepayments consist of prepaid expenses.

10 Distribution of profit

	Parent 2019	Parent 2018
	DKK	DKK
Extraordinary dividend paid	0	65.000.000
Proposed dividend for the year	0	78.000.000
Reserve for net revaluation under the equity method	53.609.667	29.823.274
Retained earnings	38.200.154	-98.857.429
	91.809.821	**73.965.845**

11 Provision for deferred tax

	Consolidated		Parent	
	2019	2018	2019	2018
	DKK	DKK	DKK	DKK
Provision for deferred tax at 1 January	23.601.658	-86.781	-35.327	-86.781
Amounts recognised in the income statement for the year	-1.700.734	-1.617.400	-31.879	51.454
Net effect from merger and acquisition	0	25.305.839	0	0
Provision for deferred tax at 31 December	**21.900.924**	**23.601.658**	**-67.206**	**-35.327**

Notes to the Financial Statements

12 Deferred income

Deferred income consists of contract accrual.

13 Cash flow statement - adjustments

	Consolidated	
	2019	2018
	DKK	DKK
Financial income	-2.807.119	-1.537.298
Financial expenses	273.315	803.872
Depreciation, amortisation and impairment losses, including losses and gains on sales	15.890.736	14.750.337
Tax on profit/loss for the year	25.336.564	20.433.875
Other adjustments	-1.086.087	320.727
	37.607.409	**34.771.513**

14 Cash flow statement - change in working capital

	2019	2018
Change in receivables	-35.244.334	-9.613.716
Change in trade payables, etc	-2.099.135	4.583.782
	-37.343.469	**-5.029.934**

15 Contingent assets, liabilities and other financial obligations

Consolidated

Mortgages and securities consist of operational leasing of office rooms and company cars. Operational leasing amounts to DKK 6,761k and DKK 2,322k falls due within one year.

Parent

Mortgages and securities consist of operational leasing of office rooms and company cars. Operational leasing amounts to DKK 4,895k and DKK 1,315k falls due within one year

Notes to the Financial Statements

16 Related parties

Controlling interest

Taylor Nelson Sofres B.V., Netherlands

Transactions

All transactions with related parties which has not been according to market conditions are disclosed. There has been no transactions which has not been according to market conditions during the year.

Notes to the Financial Statements

17 Accounting Policies

The Annual Report of Techedge ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

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

The Consolidated and Parent Company Financial Statements for 2019 are presented in DKK.

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.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, Techedge ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

17 Accounting Policies (continued)

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Amortisation of goodwill is allocated in the Consolidated Financial Statements to the operations to which goodwill is related. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Business acquisitions carried through before 1 July 2018

Subject to some exemptions, acquisitions carried through before 1 July 2018 are accounted for under the same accounting policies as those applying to business combinations carried through on or after 1 July 2018. The most material exemptions are:

- Identifiable assets and liabilities of the entity acquired are recognised only if they are probable.

- Identifiable contingent liabilities of the entity acquired are not recognised in the consolidated balance sheet.

Notes to the Financial Statements

17 Accounting Policies (continued)

- Where the purchase price allocation is not final, positive and negative differences due to changes to the recognition and measurement of the acquired net assets may be adjusted until the end of the financial year following the year of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

- Transaction costs directly attributable to the acquisition of subsidiaries are included as part of cost.

- After the initial recognition, adjustment of contingent consideration is recognised directly with its counter entry in initial purchase price, thus correcting the value of goodwill or negative goodwill.

- In respect of step acquisitions, the carrying amount of the existing investments is recognised in cost.

Operating leases

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

Income Statement

Revenue

Revenue from the sale licenses is recognised in the income statement based on license period. Revenue is recognised net of VAT, duties and sales discounts and is meaasured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises cost of licenses, consultants and other cost directly associated with the company's primary activities.

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.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report. Gross profit or loss comprises revenue, license cost, and external expenses.

Notes to the Financial Statements

17 Accounting Policies (continued)

Staff expenses

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

Amortisation, depreciation and impairment losses

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

Income from investments in subsidiaries

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.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

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.

Notes to the Financial Statements

17 Accounting Policies (continued)

Balance Sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 10 years.

Licences are measured at the lower of cost less accumulated amortisation and recoverable amount. Licences are amortised over the licence period; however not exceeding 10 years.

Customer database is measured at the lower of cost less accumulated amortisation and recoverable amount. Customer database is amortised on a straight-line basis over its useful life, which is assessed at 20 years.

Property, plant and equipment

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	3-5 years

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.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Notes to the Financial Statements

17 Accounting Policies (continued)

Investments in subsidiaries

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.

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

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

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

Prepayments

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

Equity

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 assets and liabilities

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

Deferred tax assets, including the tax base of tax loss carry forwards, 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.

Current tax receivables and liabilities

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.

Notes to the Financial Statements

17 Accounting Policies (continued)

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 activities and fixed asset invest-ments 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 payment of dividend.

Financial Highlights

Explanation of financial ratios

Return on equity	$\frac{\text{Net profit for the year x 100}}{\text{Average equity}}$
Equity ratio	$\frac{\text{Equity x 100}}{\text{Total assets}}$