

WorkPoint A/S
Esbjerg Brygge 28
6700 Esbjerg
Business Registration No
26082668

Annual report 2018

The Annual General Meeting adopted the annual report on 22.02.2019

Chairman of the General Meeting

Name: Peter Steen Jørgensen

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Entity details

Entity

WorkPoint A/S
Esbjerg Brygge 28
6700 Esbjerg

Central Business Registration No (CVR): 26082668

Registered in: Esbjerg

Financial year: 01.01.2018 - 31.12.2018

Phone: +45 76 110 110

Website: www.workpoint365.com

E-mail: pj@workpoint365.com

Board of Directors

Niels Erik Hedeager, Chairman

Peter Steen Jørgensen

Ole Thomsen

Hanne Jørgensen

Steen Helmer

Executive Board

Peter Steen Jørgensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Dokken 8

P.O. Box 200

6701 Esbjerg

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of WorkPoint A/S for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations and cash flows for the financial year 01.01.2018 - 31.12.2018.

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.

Esbjerg, 28.01.2019

Executive Board

Peter Steen Jørgensen

Board of Directors

Niels Erik Hedeager
Chairman

Peter Steen Jørgensen

Ole Thomsen

Hanne Jørgensen

Steen Helmer

Independent auditor's extended review report

To the shareholders of WorkPoint A/S

Conclusion

We have performed an extended review of the financial statements of WorkPoint A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement 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 31.12.2018 and of the results of its operations and cash flows for the financial year 01.01.2018 - 31.12.2018 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". 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.

Independent auditor's extended review report

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.

Esbjerg, 28.01.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Jesper Smedegaard Larsen

State-Authorised Public Accountant

Identification No (MNE) mne18510

Management commentary

Primary activities

The object of the Company is to develop and sell software as well as provide consultancy services.

Development in activities and finances

The profit for 2018 is DKK 1,164 thousand compared to a loss in 2017 of DKK 736 thousand.

In 2018, WorkPoint A/S continued to focus on and develop WorkPoint products. The products for handling documents as well as case and project management for many different industries are ready as WorkPoint 365 solutions.

The financial year 2018 offered breakthroughs on several export markets as well as many new developments, and together with the financial results, 2018 is considered a satisfactory year.

This development is expected to continue in 2019, when increased exports, more employees and further development of the products will lead to a performance that meets the level of 2018.

Events after the balance sheet date

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

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross profit		14.893.927	11.200.745
Staff costs	1	(11.805.565)	(10.911.812)
Depreciation, amortisation and impairment losses	2	<u>(1.579.040)</u>	<u>(1.199.977)</u>
Operating profit/loss		1.509.322	(911.044)
Other financial expenses	3	<u>(12.400)</u>	<u>(30.740)</u>
Profit/loss before tax		1.496.922	(941.784)
Tax on profit/loss for the year	4	<u>(333.320)</u>	<u>206.126</u>
Profit/loss for the year		<u>1.163.602</u>	<u>(735.658)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>1.163.602</u>	<u>(735.658)</u>
		<u>1.163.602</u>	<u>(735.658)</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Completed development projects		2.666.198	2.204.256
Intangible assets	5	2.666.198	2.204.256
Other fixtures and fittings, tools and equipment		1.118.128	1.491.305
Leasehold improvements		97.313	63.831
Property, plant and equipment	6	1.215.441	1.555.136
Other receivables		362.983	457.586
Fixed asset investments	7	362.983	457.586
Fixed assets		4.244.622	4.216.978
Raw materials and consumables		0	34.792
Inventories		0	34.792
Trade receivables		5.113.610	1.742.999
Contract work in progress		863.000	470.000
Receivables from group enterprises		142.741	0
Deferred tax		5.765	227.853
Other receivables		22.413	38.575
Prepayments		398.404	499.547
Receivables		6.545.933	2.978.974
Cash		3.373.440	288.047
Current assets		9.919.373	3.301.813
Assets		14.163.995	7.518.791

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital	8	552.700	552.700
Reserve for development expenditure		1.929.099	1.590.939
Retained earnings		<u>(126.484)</u>	<u>(951.926)</u>
Equity		<u>2.355.315</u>	<u>1.191.713</u>
Finance lease liabilities		<u>154.020</u>	<u>462.059</u>
Non-current liabilities other than provisions	9	<u>154.020</u>	<u>462.059</u>
Current portion of long-term liabilities other than provisions	9	308.040	308.040
Prepayments received from customers		7.665.419	3.330.068
Trade payables		701.692	301.375
Payables to shareholders and management		2.894	4.894
Income tax payable		111.232	0
Other payables		<u>2.865.383</u>	<u>1.920.642</u>
Current liabilities other than provisions		<u>11.654.660</u>	<u>5.865.019</u>
Liabilities other than provisions		<u>11.808.680</u>	<u>6.327.078</u>
Equity and liabilities		<u>14.163.995</u>	<u>7.518.791</u>
Unrecognised rental and lease commitments	11		
Contingent liabilities	12		

Statement of changes in equity for 2018

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	552.700	1.590.939	(951.926)	1.191.713
Profit/loss for the year	0	338.160	825.442	1.163.602
Equity end of year	552.700	1.929.099	(126.484)	2.355.315

Cash flow statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Operating profit/loss		1.509.322	(911.044)
Amortisation, depreciation and impairment losses		1.579.040	1.199.977
Working capital changes	10	<u>1.924.155</u>	<u>1.989.240</u>
Cash flow from ordinary operating activities		5.012.517	2.278.173
Financial income paid		<u>(12.400)</u>	<u>(30.740)</u>
Cash flows from operating activities		5.000.117	2.247.433
Acquisition etc of intangible assets		(1.368.725)	(1.540.890)
Acquisition etc of property, plant and equipment		(332.562)	(1.404.765)
Sale of property, plant and equipment		0	319.000
Acquisition of fixed asset investments		(16.126)	(279.613)
Sale of fixed asset investments		<u>110.729</u>	<u>0</u>
Cash flows from investing activities		(1.606.684)	(2.906.268)
Incurrence of lease obligations		0	924.119
Reduction of lease commitments		(308.040)	(154.020)
Dividend paid		<u>0</u>	<u>(100.000)</u>
Cash flows from financing activities		(308.040)	670.099
Increase/decrease in cash and cash equivalents		3.085.393	11.264
Cash and cash equivalents beginning of year		<u>288.047</u>	<u>276.783</u>
Cash and cash equivalents end of year		3.373.440	288.047

Notes

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	11.099.055	10.772.248
Pension costs	930.455	878.536
Other social security costs	154.079	131.627
Other staff costs	856.514	442.399
Staff costs classified as assets	<u>(1.234.538)</u>	<u>(1.312.998)</u>
	<u>11.805.565</u>	<u>10.911.812</u>
Average number of employees	<u>21</u>	<u>20</u>
	2018	2017
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	906.783	426.637
Depreciation of property, plant and equipment	656.521	705.430
Profit/loss from sale of intangible assets and property, plant and equipment	15.736	67.910
	<u>1.579.040</u>	<u>1.199.977</u>
	2018	2017
	DKK	DKK
3. Other financial expenses		
Other interest expenses	9.913	17.042
Exchange rate adjustments	2.487	7.448
Other financial expenses	0	6.250
	<u>12.400</u>	<u>30.740</u>
	2018	2017
	DKK	DKK
4. Tax on profit/loss for the year		
Current tax	111.232	0
Change in deferred tax	<u>222.088</u>	<u>(206.126)</u>
	<u>333.320</u>	<u>(206.126)</u>

Notes

	Completed develop- ment projects DKK
	<u>DKK</u>
5. Intangible assets	
Cost beginning of year	3.764.643
Additions	<u>1.368.725</u>
Cost end of year	<u>5.133.368</u>
Amortisation and impairment losses beginning of year	(1.560.387)
Amortisation for the year	<u>(906.783)</u>
Amortisation and impairment losses end of year	<u>(2.467.170)</u>
Carrying amount end of year	<u>2.666.198</u>

In 2018, the Company decided to capitalise a small part of the substantial development costs of DKK 1,234,538 originating from the product WorkPoint365.

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
	<u>DKK</u>	<u>DKK</u>
6. Property, plant and equipment		
Cost beginning of year	3.806.886	70.924
Additions	280.562	52.000
Disposals	<u>(1.010.455)</u>	<u>0</u>
Cost end of year	<u>3.076.993</u>	<u>122.924</u>
Depreciation and impairment losses beginning of year	(2.315.581)	(7.093)
Depreciation for the year	(638.003)	(18.518)
Reversal regarding disposals	<u>994.719</u>	<u>0</u>
Depreciation and impairment losses end of year	<u>(1.958.865)</u>	<u>(25.611)</u>
Carrying amount end of year	<u>1.118.128</u>	<u>97.313</u>

The carrying amount of leased assets amounts to DKK 549,059 at year-end.

Notes

	Other receivables DKK
7. Fixed asset investments	
Cost beginning of year	457.586
Additions	16.126
Disposals	<u>(110.729)</u>
Cost end of year	<u>362.983</u>
Carrying amount end of year	<u>362.983</u>

	Number	Par value DKK	Nominal value DKK
8. Contributed capital			
Ordinary shares	<u>5.527</u>	100	<u>552.700</u>
	<u>5.527</u>		<u>552.700</u>

	Due within 12 months 2018 DKK	Due within 12 months 2017 DKK	Due after more than 12 months 2018 DKK
9. Liabilities other than provisions			
Finance lease liabilities	<u>308.040</u>	<u>308.040</u>	<u>154.020</u>
	<u>308.040</u>	<u>308.040</u>	<u>154.020</u>

	2018 DKK	2017 DKK
10. Change in working capital		
Increase/decrease in inventories	34.792	2.072
Increase/decrease in receivables	(3.789.046)	699.011
Increase/decrease in trade payables etc	<u>5.678.409</u>	<u>1.288.157</u>
	<u>1.924.155</u>	<u>1.989.240</u>

	2018 DKK	2017 DKK
11. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	<u>5.927.000</u>	<u>6.830.000</u>

Notes

12. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which In Vest ApS serves as the administration company. 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. The total income tax has been preliminarily estimated at DKK 80 thousand.

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 enterprises.

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

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 and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage of completion method).

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

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 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, 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 of property, plant and equipment as well as intangible assets.

Accounting policies

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 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.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights and acquired intellectual property rights.

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. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives. The amortisation period used is three years.

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. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

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	3-7 years
Leasehold improvements	3 years

Estimated useful lives and residual values are reassessed annually.

Accounting policies

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.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

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.

Finance lease liabilities

Lease commitments relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease commitments are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time of delivery.

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.

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, repayments of 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.