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# ***Semantix Translations Denmark A/S***

Vandtårnsvej 62 A, 4. b., DK-2860 Søborg

## **Annual Report for 1 January - 31 December 2018**

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CVR No 26 68 39 63

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
21/5 2019

Britta Aagaard  
Chairman of the General  
Meeting



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Semantix Translations Denmark A/S for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations for 2018.

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.

Søborg, 21 May 2019

## Executive Board

Britta Aagaard

## Board of Directors

Jan Patrik Attemark  
Chairman

Britta Aagaard

Pär Nordlander

Carina Vibenius

# Independent Auditor's Report

To the Shareholder of Semantix Translations Denmark A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Semantix Translations Denmark A/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the 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 Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether 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 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.

## 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 misstate-

# Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements 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 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 Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

# Independent Auditor's Report

in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 21 May 2019

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Henrik Trangeled Kristensen  
State Authorised Public Accountant  
mne23333

Thomas Nørgaard Christensen  
State Authorised Public Accountant  
mne40048

## Company Information

### **The Company**

Semantix Translations Denmark A/S  
Vandtårnsvej 62 A, 4. b.  
DK-2860 Søborg

CVR No: 26 68 39 63

Financial period: 1 January - 31 December

Municipality of reg. office: Gladsaxe

### **Board of Directors**

Jan Patrik Attemark, Chairman  
Britta Aagaard  
Pär Nordlander  
Carina Vibenius

### **Executive Board**

Britta Aagaard

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Nobelparken  
Jens Chr. Skous Vej 1  
DK-8000 Aarhus C

# Management's Review

## Key activities

The Company's activities consist of development and integration of communication solutions, advice regarding localization and internationalization of texts and software, and related services hereof.

## Development in the year

The income statement of the Company for 2018 shows a loss of DKK 387,898, and at 31 December 2018 the balance sheet of the Company shows equity of DKK 2,342,396.

The financial year 2018 reflects some strategic important events, most importantly that the Company has been acquired by Semantix International AB as of April 6, 2018. The transaction will have significant positive effect on the common business platform.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.



## Income Statement 1 January - 31 December

	Note	2018 DKK	2017 DKK
<b>Gross profit/loss</b>		<b>5.779.965</b>	<b>4.766.245</b>
Staff expenses	1	-5.354.212	-5.300.883
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-675.809	-665.106
<b>Profit/loss before financial income and expenses</b>		<b>-250.056</b>	<b>-1.199.744</b>
Financial income		56.320	70.275
Financial expenses		-115.714	-65.765
<b>Profit/loss before tax</b>		<b>-309.450</b>	<b>-1.195.234</b>
Tax on profit/loss for the year	2	-78.448	123.452
<b>Net profit/loss for the year</b>		<b>-387.898</b>	<b>-1.071.782</b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		-387.898	-1.071.782
		<b>-387.898</b>	<b>-1.071.782</b>

# Balance Sheet 31 December

## Assets

	Note	2018 DKK	2017 DKK
Goodwill		0	602.161
<b>Intangible assets</b>	3	<b>0</b>	<b>602.161</b>
Other fixtures and fittings, tools and equipment		148.527	222.176
<b>Property, plant and equipment</b>	4	<b>148.527</b>	<b>222.176</b>
Other receivables		3.825	3.825
<b>Fixed asset investments</b>		<b>3.825</b>	<b>3.825</b>
<b>Fixed assets</b>		<b>152.352</b>	<b>828.162</b>
Trade receivables		1.573.675	2.327.840
Contract work in progress		147.776	228.450
Receivables from group enterprises		0	3.556
Deferred tax asset		584.170	606.491
Corporation tax		0	531.452
Prepayments		26.753	100.983
<b>Receivables</b>		<b>2.332.374</b>	<b>3.798.772</b>
<b>Cash at bank and in hand</b>		<b>2.792.638</b>	<b>680.777</b>
<b>Currents assets</b>		<b>5.125.012</b>	<b>4.479.549</b>
<b>Assets</b>		<b>5.277.364</b>	<b>5.307.711</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2018 DKK	2017 DKK
Share capital		1.501.000	1.500.000
Share premium account		3.049.000	1.250.000
Retained earnings		-2.207.604	-1.819.706
<b>Equity</b>	5	<b>2.342.396</b>	<b>930.294</b>
Payables to group enterprises		375.319	761.799
<b>Long-term debt</b>		<b>375.319</b>	<b>761.799</b>
Trade payables		1.328.183	1.894.563
Payables to group enterprises		62.187	364.713
Other payables		1.169.279	1.356.342
<b>Short-term debt</b>		<b>2.559.649</b>	<b>3.615.618</b>
<b>Debt</b>		<b>2.934.968</b>	<b>4.377.417</b>
<b>Liabilities and equity</b>		<b>5.277.364</b>	<b>5.307.711</b>
Related parties	6		
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# Notes to the Financial Statements

	2018 <u>DKK</u>	2017 <u>DKK</u>
<b>1 Staff expenses</b>		
Wages and salaries	4.821.379	4.784.551
Pensions	311.062	318.878
Other social security expenses	136.749	125.023
Other staff expenses	85.022	72.431
	<u>5.354.212</u>	<u>5.300.883</u>
<b>Average number of employees</b>	<u>7</u>	<u>7</u>
<b>2 Tax on profit/loss for the year</b>		
Current tax for the year	40.442	-529.452
Deferred tax for the year	22.321	406.000
Adjustment of tax concerning previous years	15.685	0
	<u>78.448</u>	<u>-123.452</u>
<b>3 Intangible assets</b>		<u>Goodwill</u>
		DKK
Cost at 1 January		<u>3.010.806</u>
Cost at 31 December		<u>3.010.806</u>
Impairment losses and amortisation at 1 January		2.408.645
Amortisation for the year		<u>602.161</u>
Impairment losses and amortisation at 31 December		<u>3.010.806</u>
<b>Carrying amount at 31 December</b>		<u>0</u>

## Notes to the Financial Statements

### 4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	337.114
Cost at 31 December	337.114
Impairment losses and depreciation at 1 January	114.938
Depreciation for the year	73.649
Impairment losses and depreciation at 31 December	188.587
<b>Carrying amount at 31 December</b>	<b>148.527</b>

### 5 Equity

	Share capital DKK	Share premium account DKK	Retained earnings DKK	Total DKK
Equity at 1 January	1.500.000	1.250.000	-1.819.706	930.294
Cash capital increase	1.000	1.799.000	0	1.800.000
Net profit/loss for the year	0	0	-387.898	-387.898
<b>Equity at 31 December</b>	<b>1.501.000</b>	<b>3.049.000</b>	<b>-2.207.604</b>	<b>2.342.396</b>

# Notes to the Financial Statements

## 6 Related parties

### Basis

#### Controlling interest

Semantix Norway AS, Norway

Parent Company

#### Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Semantix Norway AS, Norway

#### Consolidated Financial Statements

The Company is recognized by full consolidation in the following Group

Name

Place of registered office

Semantix International Group AB

Sweden

# Notes to the Financial Statements

## 7 Accounting Policies

The Annual Report of Semantix Translations Denmark A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2018 are presented in DKK.

### Recognition and measurement

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

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Leases

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognised in the balance sheet at the lower of the fair value of the leased asset and the net present value of the lease payments computed by applying the interest rate implicit in the lease or an alternative borrowing rate as the discount rate. Assets acquired under finance leases are depreciated and written down for impairment under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalised and recognised in the balance sheet under debt, and the interest element on the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

## Income Statement

### Revenue

Contract work in progress (construction contracts) is recognised at the rate of completion, which means that revenue equals the selling price of the work completed for the year (percentage-of-completion method). This method is applied when total revenues and expenses in respect of the contract and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the contract.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Expenses for raw materials and consumables

Comprises of external expenses held to achieve the revenue.



# Notes to the Financial Statements

## 7 Accounting Policies (continued)

### **Other external expenses**

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

### **Gross profit/loss**

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

### **Staff expenses**

Staff expenses comprise wages and salaries as well as payroll expenses.

### **Amortisation, depreciation and impairment losses**

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

### **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 consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with related Danish sister companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## **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 5 years.

### **Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,500 are expensed in the year of acquisition.

### **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.

### **Fixed asset investments**

Fixed asset investments consist of deposits.

### **Receivables**

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### **Contract work in progress**

Contract work in progress regarding service is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expen-

# Notes to the Financial Statements

## 7 Accounting Policies (continued)

ses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

### **Prepayments**

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

### **Deferred tax assets and liabilities**

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### **Current tax receivables and liabilities**

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### **Financial debts**

Loans, such as loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan.

## Notes to the Financial Statements

### 7 Accounting Policies (continued)

Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.