
***GSG*Group Danmark A/S**

Vojensvej 11 st. tv., DK-2610 Rødovre

Annual Report for 1 January - 31 December 2019

CVR No 27 04 75 99

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
5 /5 2020

Morten Berntsen
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 GSGroup Danmark A/S 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 Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Rødovre, 5 May 2020

Executive Board

Espen Virik Ranvik
Executive Officer

Board of Directors

Morten Berntsen

Espen Virik Ranvik

Svein Erik Olesen

Independent Auditor's Report

To the Shareholder of GSGroup Danmark 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of GSGroup Danmark A/S for the financial year 1 January - 31 December 2019, 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.

Esbjerg, 5 May 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jannick Kjersgaard
statsautoriseret revisor
mne29440

Steffen Kaj Pedersen
statsautoriseret revisor
mne34357

Company Information

The Company

GSGroup Danmark A/S
Vojensvej 11 st. tv.
DK-2610 Rødovre

CVR No: 27 04 75 99
Financial period: 1 January - 31 December
Municipality of reg. office: København

Board of Directors

Morten Berntsen
Espen Virik Ranvik
Svein Erik Olesen

Executive Board

Espen Virik Ranvik

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Esbjerg Brygge 28
DK-6700 Esbjerg

Management's Review

Key activities

The company's purpose is development, sales etc. of software solutions and related business.

Development in the year

The income statement of the Company for 2019 shows a profit of DKK 690,437, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 751,021.

Management consider the financial results for 2019 satisfactory.

Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

Many of the Company's customers have indicated that they will continue projects in progress, but there is still a risk that COVID-19 will have negative impacts on the Company's revenue and earnings in 2020. Management is monitoring developments closely. It is, however, too early yet to give an opinion as to whether and, if so, to what extent COVID-19 will impact revenue and earnings in 2020. Naturally, Management will make an effort to recapture any lost revenue later in the year.

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		11,516,309	12,338,038
Staff expenses	2	-9,838,712	-10,972,344
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-967,114	-1,086,149
Profit/loss before financial income and expenses		710,483	279,545
Financial income	4	16,298	13,882
Financial expenses	5	-36,344	-22,841
Profit/loss before tax		690,437	270,586
Tax on profit/loss for the year	6	0	10,240
Net profit/loss for the year		690,437	280,826

Distribution of profit

Proposed distribution of profit

Retained earnings	690,437	280,826
	690,437	280,826

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Completed development projects		0	7,395
Goodwill		0	905,714
Intangible assets		0	913,109
Other fixtures and fittings, tools and equipment		142,321	191,115
Property, plant and equipment		142,321	191,115
Deposits		149,154	145,676
Fixed asset investments		149,154	145,676
Fixed assets		291,475	1,249,900
Inventories	7	499,869	588,494
Trade receivables		3,382,081	1,167,646
Receivables from group enterprises		28,000	526,468
Other receivables		0	2,270
Deferred tax asset	9	1,600,000	1,600,000
Corporation tax		28,000	28,000
Prepayments		121,708	186,446
Receivables		5,159,789	3,510,830
Cash at bank and in hand		1,243,689	784,134
Currents assets		6,903,347	4,883,458
Assets		7,194,822	6,133,358

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		500,000	500,000
Retained earnings		251,021	-439,416
Equity	8	751,021	60,584
Other payables		295,590	0
Long-term debt	10	295,590	0
Prepayments received from customers		258,171	0
Trade payables		258,096	452,813
Payables to group enterprises		554,950	421,717
Other payables	10	1,695,963	1,602,434
Deferred income		3,381,031	3,595,810
Short-term debt		6,148,211	6,072,774
Debt		6,443,801	6,072,774
Liabilities and equity		7,194,822	6,133,358
Subsequent events	1		
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Notes to the Financial Statements

1 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

Many of the Company's customers have indicated that they will continue projects in progress, but there is still a risk that COVID-19 will have negative impacts on the Company's revenue and earnings in 2020. Management is monitoring developments closely. It is, however, too early yet to give an opinion as to whether and, if so, to what extent COVID-19 will impact revenue and earnings in 2020. Naturally, Management will make an effort to recapture any lost revenue later in the year.

	2019 DKK	2018 DKK
2 Staff expenses		
Wages and salaries	9,050,326	10,084,819
Pensions	639,883	730,999
Other social security expenses	147,124	156,526
Other staff expenses	1,379	0
	9,838,712	10,972,344
Average number of employees	13	17
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	913,111	1,031,604
Depreciation of property, plant and equipment	54,003	54,545
	967,114	1,086,149
4 Financial income		
Other financial income	460	1,506
Exchange gains	15,838	12,376
	16,298	13,882

Notes to the Financial Statements

	2019 <u>DKK</u>	2018 <u>DKK</u>	
5 Financial expenses			
Other financial expenses	9,540	4,614	
Exchange loss	<u>26,804</u>	<u>18,227</u>	
	<u>36,344</u>	<u>22,841</u>	
6 Tax on profit/loss for the year			
Current tax for the year	0	0	
Deferred tax for the year	<u>0</u>	<u>-10,240</u>	
	<u>0</u>	<u>-10,240</u>	
7 Inventories			
Finished goods and goods for resale	<u>499,869</u>	<u>588,494</u>	
	<u>499,869</u>	<u>588,494</u>	
8 Equity			
	<u>Share capital</u>	<u>Retained</u>	<u>Total</u>
	DKK	earnings	DKK
Equity at 1 January	500,000	-439,416	60,584
Net profit/loss for the year	<u>0</u>	<u>690,437</u>	<u>690,437</u>
Equity at 31 December	<u>500,000</u>	<u>251,021</u>	<u>751,021</u>

Notes to the Financial Statements

	2019	2018
	DKK	DKK
9 Deferred tax asset		
Intangible assets	-455,000	-256,000
Property, plant and equipment	-16,000	-5,700
Tax loss carry-forward	-4,461,000	-4,825,300
Transferred to deferred tax asset	4,932,000	5,087,000
	0	0
Deferred tax asset		
Calculated tax asset	4,932,000	5,087,000
Write-down to assessed value	-3,332,000	-3,487,000
Carrying amount	1,600,000	1,600,000

The recognised tax asset comprises tax loss carry-forwards expected to be utilised within the next three to four years.

10 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Other payables

Between 1 and 5 years	295,590	0
Long-term part	295,590	0
Other short-term payables	1,695,963	1,602,434
	1,991,553	1,602,434

Notes to the Financial Statements

	2019 DKK	2018 DKK
11 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	148,000	142,000
Between 1 and 5 years	94,000	172,000
	242,000	314,000
Rent obligations, term of notice is 20 months	490,000	947,000

Other contingent liabilities

Credit institute has provided a security for unpaid rent deposit total 161.500 DKK.

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of GSGroup Esbjerg ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

12 Accounting Policies

The Annual Report of GSGroup Danmark A/S for 2019 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.

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

All 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.

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.

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.

Notes to the Financial Statements

12 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

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

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

Other external expenses comprise indirect production costs and 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 plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Notes to the Financial Statements

12 Accounting Policies (continued)

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 wholly owned Danish and foreign subsidiaries. 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 4 years.

Plant and equipment

Plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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

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
Leasehold improvements	3-5	years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and 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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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

Fixed asset investments

Fixed asset investments consist of rent deposits.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realisable value is determined allowing for marketability, obsolescence and development in expected selling price.

The cost of goods for resale, raw materials and consumables equals landed cost.

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.

Prepayments

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

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

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.

Notes to the Financial Statements

12 Accounting Policies (continued)

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

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

Deferred income

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