

Global Knowledge Denmark ApS

Stamholmen 110, 2650 Hvidovre

Company reg. no. 29 39 97 00

Annual report

1 October 2017 - 30 September 2018

The annual report was submitted and approved by the general meeting on the 26 March 2019.

Brian Glenn Holland
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report on extended review	2
Management's review	
Company data	4
Management's review	5
Annual accounts 1 October 2017 - 30 September 2018	
Accounting policies used	8
Profit and loss account	12
Balance sheet	13
Notes	15

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Global Knowledge Denmark ApS for the financial year 1 October 2017 to 30 September 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 September 2018 and of the company's results of its activities in the financial year 1 October 2017 to 30 September 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Hvidovre, 26 March 2019

Managing Director

Brian Glenn Holland

Board of directors

Brian Glenn Holland

Allan John Pettman

Andrew Iain Boyle

Morten Koefoed Haaber

Independent auditor's report on extended review

To the shareholders of Global Knowledge Denmark ApS

Opinion

We have performed extended review of the annual accounts of Global Knowledge Denmark ApS for the financial year 1 October 2017 to 30 September 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

Based on the work we have performed, we believe that the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 September 2018 and of the results of the company's operations for the financial year 1 October 2017 to 30 September 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We performed the extended review in accordance with the standard from the Danish Business Authority applicable on auditor's reports to small enterprises and in accordance with the standard from the Danish Institute of State Authorised Public Accountants applicable on extended review of annual accounts prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the extended review of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the annual accounts

Our responsibility is to express an opinion on the annual accounts. This requires that we plan and perform our procedures with the purpose of achieving moderate assurance as to our opinion on the annual accounts. Furthermore, it requires that we perform particularly required additional procedures with a view to achieving further assurance as to our opinion.

Independent auditor's report on extended review

An extended review comprises procedures primarily comprising inquiries to the management and to other persons within the enterprise when appropriate, analytical procedures, and the particularly required additional procedures along with an evaluation of the achieved audit evidence.

The scope of the procedures performed during an extended review is less than in case of an audit, and consequently, we do not express any audit opinion on the annual accounts.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our extended review of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the extended review, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 26 March 2019

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Brian Rasmussen
State Authorised Public Accountant
mne30153

Kasper Sone Randrup
State Authorised Public Accountant
mne36175

Company data

The company	Global Knowledge Denmark ApS Stamholmen 110 2650 Hvidovre
	Company reg. no. 29 39 97 00 Established: 23 February 2006 Domicile: Copenhagen Financial year: 1 October 2017 - 30 September 2018 13th financial year
Board of directors	Brian Glenn Holland Allan John Pettman Andrew Iain Boyle Morten Koefoed Haaber
Managing Director	Brian Glenn Holland
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Parent company	Global Knowledge Holdings BV

Management's review

The principal activities of the company

The Company advises, teaches and contributes to the development of IT and professional skills in organizations to any desired level. The objective is to add professional knowledge to companies and its employees to enable these companies to be efficient and successful.

The following principles are pursued:

- Consistent across the world
- High quality
- Experience from practice

Global Knowledge in EMEA is the largest independent supplier of IT training in the EMEA market, with more than 21 training centres in 13 countries, and operates a portfolio of over 4,300 courses. In EMEA, there are approximately 600 people working for Global Knowledge, over one third as technical teachers or consultants.

Global Knowledge is certified as:

- Cisco Learning Solutions Partner (CLSP)
- Microsoft Certified Partner for Learning Solutions (CPLS)
- VMWare Authorised Training Centre (VATC)
- VUE Authorised Test Centre
- Amazon Web Services (APN training partner)
- Avaya Learning Partner (ALP)
- Brocade Authorized Training Partners
- Google Cloud Premier Training Partner (GCP)
- IAPP Official Training Partners
- IBM Global Training Providers
- Juniper Authorized Education Partners
- Nutanix Authorized Training Centers
- Oracle Certified Partner
- Symantec Authorized Training Partners
- Veeam Authorized Education Center
- Red Hat Premier Business Partner
- Salesforce partner
- EC-Council Accredited Training Center (ATC)

Management's review

Development in activities and financial matters

2018 was a year of transition. Despite overall improvement in the economic climate for Denmark, the training investments in the market was still at a lower level than previous year. Companies are reducing their training spend in order to lower their costs, while the company at the same time faced increasing delivery cost from its major vendors such as Cisco, Microsoft and VMware. Despite these economic pressures the Company still managed to grow, the gross profit for the year to DKK 7.525.552 against DKK 7.189.465 last year.

2018 was also negatively influenced from low sales productivity. In 2017, the Company suffered from an abnormally high turnover in its sales staff, but adopted an aggressive growth in its sales staff base in order to grow the business in future years. Because the on boarding cycle of a sales person into the training business is long, the sales productivity for 2018 was still negatively influenced by this.

In January 2018, the company on-boarded a new instructor (Cisco & VMware) in order to bring down cost spent on external instructors and increase profitability. The utilization of the instructor was not at its full potential in 2018 due to investment made in upskilling the instructor. The Directors regard this as investments for future years.

The result of these investment activities is that the Company incurred a loss from ordinary activities after tax of DKK -1.724.987 against DKK -1.553.612 last year.

The number of local competitors has become less, but the competition of these remaining competitors has become stronger. In addition, the company is facing increasing competition from international online competitors with digital solutions. The overall stronger competition is putting pressure on pricing and the company's ability to deliver training through different modalities. It remains vital for the Company to keep striving for the highest market shares for its core vendor authorized portfolios. To further increase its number of buying customers and to growth its business it remains important that the company offers its training and services in a number of locations and via multiple delivery methods corresponding with the increasing differentiation in customer demand.

For the next year(s) the priority is ensuring that the sales team are stable and delivering upon expected quotas, increasing the number of buying customers, increase its share of wallet and increase its market shares on the core vendor portfolios. Another priority is to improve the utilization of the internal instructors, in order to improve profitability.

2018 saw an ever-increasing desire from customers to reduce the time their staff spend on training and be away from the office and the prediction is that less training time will be spend in classrooms in the training facility. The Company saw a growth in its digital and virtual students in 2018 numbers (Students that are attending the training from another location, not being in the classroom). We expect to see that figure continue to increase in 2019.

The Directors acknowledge that balance sheet of the company is not where it should be and during 2019 the Directors will be working with its shareholder to rectify this situation.

Management's review

The expected development

The Company could benefit from the current IT skills shortage in combination with the current economic growth. Further to this the company should benefit from the new vendor authorized portfolios and from its capability to offer the new learning solutions to its clients.

The company will not only communicate its vendor solution into the market but will also address its solution to the market via Themes like Cloud, Security, Big data/ Analytics and Mobility.

Expectations 2019

Based on:

- the expected market increase by some of the vendors in 2019 and further
- the Company's current portfolio's and the planned additions,
- the reseller and partnerships the Company has,
- the investment in systems and tools,
- the continued investment in a better classroom setup and IT infrastructure,
- the investment and further growth of the new learning capabilities

It is the expectation that the year 2019 will show a higher result in revenue and could hopefully bring the

Company into profit. With the positive development in sales productivity and expected increase in the utilization of the internal instructors, it is still the Director's medium term view that the Company will return into profit

Accounting policies used

The annual report for Global Knowledge Denmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

Accounting policies used

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Accounting policies used

The balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Goodwill is amortised on a straight-line basis over the amortisation period, which is 15 years. The amortisation period is determined on the basis of an expected payback period.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	<i>Useful life</i>
<i>Other plants, operating assets, fixtures and furniture</i>	<i>1-5 years</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Leasing contracts

Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

Accounting policies used

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Profit and loss account 1 October - 30 September

All amounts in DKK.

<u>Note</u>	<u>2017/18</u>	<u>2016/17</u>
Gross profit	7.525.552	7.189.465
2 Staff costs	-8.266.741	-8.450.328
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-485.503	-480.111
Operating profit	-1.226.692	-1.740.974
Other financial income	0	223.221
Other financial costs	-498.295	-35.859
Results before tax	-1.724.987	-1.553.612
3 Tax on ordinary results	0	0
Results for the year	-1.724.987	-1.553.612
 Proposed distribution of the results:		
Allocated from results brought forward	-1.724.987	-1.553.612
Distribution in total	-1.724.987	-1.553.612

Balance sheet 30 September

All amounts in DKK.

Assets			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Fixed assets			
4	Goodwill	684.959	1.027.432
	Intangible fixed assets in total	<u>684.959</u>	<u>1.027.432</u>
5	Other plants, operating assets, and fixtures and furniture	281.393	204.297
	Tangible fixed assets in total	<u>281.393</u>	<u>204.297</u>
	Fixed assets in total	<u>966.352</u>	<u>1.231.729</u>
Current assets			
	Manufactured goods and trade goods	42.139	98.935
	Inventories in total	<u>42.139</u>	<u>98.935</u>
	Trade debtors	2.949.602	4.095.451
	Other debtors	318.205	381.995
	Accrued income and deferred expenses	703.761	1.162.952
	Debtors in total	<u>3.971.568</u>	<u>5.640.398</u>
	Available funds	<u>178.842</u>	<u>898.089</u>
	Current assets in total	<u>4.192.549</u>	<u>6.637.422</u>
	Assets in total	<u>5.158.901</u>	<u>7.869.151</u>

Balance sheet 30 September

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Equity			
6	Contributed capital	201.000	201.000
7	Results brought forward	-3.289.698	-1.564.711
	Equity in total	-3.088.698	-1.363.711
Liabilities			
	Subordinate loan capital	1.330.603	1.765.722
	Long-term liabilities in total	1.330.603	1.765.722
	Bank debts	38.495	116.276
	Prepayments received from customers	1.532.690	2.001.234
	Trade creditors	1.624.456	1.714.121
	Other debts	3.318.186	2.862.266
	Accrued expenses and deferred income	403.169	773.243
	Short-term liabilities in total	6.916.996	7.467.140
	Liabilities in total	8.247.599	9.232.862
	Equity and liabilities in total	5.158.901	7.869.151
1	Going concern		
8	Mortgage and securities		
9	Contingencies		

Notes

All amounts in DKK.

1. Going concern

The Company's equity is negative with the amount of DKK (3.088.698) at 30 September. The Company's management have agreed to correct the current equity deficit with either a shareholder contribution or a share capital increase. The parent company have issued a letter of support to the Company.

DKK 1.330.603 of the intercompany balance will be subordinated loan capital standing behind other creditors.

	<u>2017/18</u>	<u>2016/17</u>
2. Staff costs		
Salaries and wages	7.530.021	7.735.165
Pension costs	509.832	451.869
Other costs for social security	83.101	74.526
Other staff costs	143.787	188.768
	<u>8.266.741</u>	<u>8.450.328</u>
Average number of employees	<u>12</u>	<u>12</u>
3. Tax on ordinary results		
Tax of the results for the year	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
4. Goodwill		
Cost 1 October 2017	<u>5.137.108</u>	<u>5.137.108</u>
Cost 30 September 2018	<u>5.137.108</u>	<u>5.137.108</u>
Amortisation and writedown 1 October 2017	-4.109.676	-3.767.203
Amortisation and writedown for the year	<u>-342.473</u>	<u>-342.473</u>
Amortisation and writedown 30 September 2018	<u>-4.452.149</u>	<u>-4.109.676</u>
Book value 30 September 2018	<u>684.959</u>	<u>1.027.432</u>

Notes

All amounts in DKK.

	<u>30/9 2018</u>	<u>30/9 2017</u>
5. Other plants, operating assets, and fixtures and furniture		
Cost 1 October 2017	3.303.512	3.090.485
Additions during the year	<u>220.127</u>	<u>213.027</u>
Cost 30 September 2018	<u>3.523.639</u>	<u>3.303.512</u>
Depreciation and writedown 1 October 2017	-3.099.215	-2.961.578
Depreciation and writedown for the year	<u>-143.031</u>	<u>-137.637</u>
Depreciation and writedown 30 September 2018	<u>-3.242.246</u>	<u>-3.099.215</u>
Book value 30 September 2018	<u>281.393</u>	<u>204.297</u>
6. Contributed capital		
Contributed capital 1 October 2017	<u>201.000</u>	<u>201.000</u>
	<u>201.000</u>	<u>201.000</u>
7. Results brought forward		
Results brought forward 1 October 2017	-1.564.711	-11.099
Profit or loss for the year brought forward	<u>-1.724.987</u>	<u>-1.553.612</u>
	<u>-3.289.698</u>	<u>-1.564.711</u>

8. Mortgage and securities

Of the cash funds, tDKK 100 is pledged as security for bank debts.

9. Contingencies

Contingent liabilities

The company is subject to a rental obligation of tDKK 153 at September 30, 2018.

Operational leasing

The company has lease commitments amounting to tDKK 4 at September 30, 2018.