

Intrasoft International Scandinavia A/S

Bregnerødvej 127
3460 Birkerød

CVR no. 30 71 59 93

Annual report for 2019

(12th Financial year)

Adopted at the annual general meeting
on 17 March 2020

Albert Menashe
chairman

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Intrasoft International Scandinavia 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 company's financial position at 31 December 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Birkerød, 17 March 2020

Executive board

Albert Menashe

Supervisory board

Spyridon Pomonis

Alexandros Stergios Manos

Manolis Terrovitis

Albert Menashe

Independent auditor's report

To the shareholder of Intrasoft International Scandinavia A/S

Opinion

We have audited the financial statements of Intrasoft International Scandinavia A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position 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.

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.

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 the 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 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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.

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.

Independent auditor's report

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 Financial Statements Act.

Based on the work we have performed, we conclude that 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 of management's review.

Hellerup, 17 March 2020
CVR no. 33 25 68 76



Lasse Nørgård
Statsautoriseret revisor
MNE no. mne10675

Company details

The company

Intrasoft International Scandinavia A/S
Bregnerødvej 127
3460 Birkerød

CVR no.: 30 71 59 93

Reporting period: 1 January - 31 December 2019

Incorporated: 10. July 2007

Domicile: Rudersdal

Supervisory board

Spyridon Pomonis
Alexandros Stergios Manos
Manolis Terrovitis
Albert Menashe

Executive board

Albert Menashe

Auditors

Crowe
Statsautoriseret Revisionsinteressentskab v.m.b.a.
Rygårds Allé 104
2900 Hellerup

Management's review

Business review

Provision of solutions and services to the public revenue (tax and customs) segment globally remains a key focus area for the Intrasoft International S.A. group. Intrasoft International Scandinavia plays an important role in this regard by being responsible for the development, maintenance and ongoing enhancement of the Company's internationally acclaimed ESKORT Compliance and Enforcement Solution, which is used as the basis of a number of the group's projects internationally.

Financial review

The company's income statement for the year ended 31 December 2019 shows a profit of DKK 7.677.084, and the balance sheet at 31 December 2019 shows equity of DKK 14.170.922.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Intrasoft International Scandinavia 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 are consistent with those of last year.

The annual report for 2019 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in work in progress and other operating income less other external expenses.

Revenue

Income from services, comprising service contracts and extended warranties relating to products and contracts sold is recognised on a straight-line basis as the services are provided.

Accounting policies

Income from customised products is recognised as production is carried out, implying that revenue corresponds to the selling price of contracts completed in the year (percentage-of-completion method). This method is applied where the total income and expenses relating to the contract and the stage of completion at the balance sheet date can be estimated reliably and it is probable that future economic benefits will flow to the Company.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised at the costs incurred insofar as they are likely to be recovered.

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Expenses for raw materials and consumables

Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs directly and indirectly attributable to the company's development activities.

Accounting policies

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually 7 years.

Tangible assets

Fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

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

Assets costing less than DKK 13.800 are expensed in the year of acquisition.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Accounting policies

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declaration by the annual general meeting.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income comprises payments received concerning income in subsequent reporting years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement
1 January 2019 - 31 December 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> TDKK
Gross profit		15.921.357	14.806
Staff costs	1	<u>-8.909.042</u>	<u>-10.023</u>
Profit/loss before amortisation/depreciation and impairment losses		7.012.315	4.783
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		<u>0</u>	<u>-258</u>
Profit/loss before net financials		7.012.315	4.525
Financial income	2	721.275	488
Financial costs	3	<u>-56.506</u>	<u>-269</u>
Profit/loss before tax		7.677.084	4.744
Tax on profit/loss for the year		<u>0</u>	<u>0</u>
Profit/loss for the year		<u>7.677.084</u>	<u>4.744</u>
 Recommended appropriation of profit/loss			
Retained earnings		<u>7.677.084</u>	<u>4.744</u>
		<u>7.677.084</u>	<u>4.744</u>

Balance sheet at 31 December 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> TDKK
Assets			
Completed development projects		<u>0</u>	<u>0</u>
Intangible assets	4	<u>0</u>	<u>0</u>
Other fixtures and fittings, tools and equipment		<u>0</u>	<u>0</u>
Tangible assets		<u>0</u>	<u>0</u>
Deposits		<u>172.646</u>	<u>173</u>
Fixed asset investments		<u>172.646</u>	<u>173</u>
Total non-current assets		<u>172.646</u>	<u>173</u>
Trade receivables		2.883.242	3.082
Contract work in progress		73.687	934
Receivables from group entities		15.380.937	10.607
Other receivables		20.000	0
Prepayments		<u>123.809</u>	<u>34</u>
Receivables		<u>18.481.675</u>	<u>14.657</u>
Cash at bank and in hand		<u>3.411.773</u>	<u>2.033</u>
Total current assets		<u>21.893.448</u>	<u>16.690</u>
Total assets		<u><u>22.066.094</u></u>	<u><u>16.863</u></u>

Balance sheet at 31 December 2019

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> TDKK
Equity and liabilities			
Share capital		2.701.000	2.701
Share premium account		52.856.840	52.857
Retained earnings		<u>-41.386.918</u>	<u>-49.064</u>
Equity	6	<u>14.170.922</u>	<u>6.494</u>
Other payables		<u>262.142</u>	<u>0</u>
Total non-current liabilities	7	<u>262.142</u>	<u>0</u>
Short-term part of long-term debt	7	0	2.241
Trade payables		288.301	422
Other payables		1.621.521	2.150
Deferred income		<u>5.723.208</u>	<u>5.556</u>
Total current liabilities		<u>7.633.030</u>	<u>10.369</u>
Total liabilities		<u>7.895.172</u>	<u>10.369</u>
Total equity and liabilities		<u>22.066.094</u>	<u>16.863</u>
Contingent liabilities	8		

Notes

	<u>2019</u>	<u>2018</u>
	DKK	TDKK
1 Staff costs		
Wages and salaries	7.703.377	8.692
Pensions	734.227	728
Other social security costs	225.867	308
Other staff costs	245.571	295
	<u>8.909.042</u>	<u>10.023</u>
Average number of employees	<u>12</u>	<u>13</u>
2 Financial income		
Interest received from group entities	687.485	485
Other financial income	33.790	3
	<u>721.275</u>	<u>488</u>
3 Financial costs		
Interest paid to group entities	6.637	133
Other financial costs	49.869	136
	<u>56.506</u>	<u>269</u>

Notes

4 Intangible assets

	Completed development projects
Cost at 1 January 2019	<u>12.378.406</u>
Cost at 31 December 2019	<u>12.378.406</u>
Impairment losses and amortisation at 1 January 2019	<u>12.378.406</u>
Impairment losses and amortisation at 31 December 2019	<u>12.378.406</u>
Carrying amount at 31 December 2019	<u><u>0</u></u>

5 Tangible assets

	Other fixtures and fittings, tools and equipment
Cost at 1 January 2019	<u>1.780.851</u>
Cost at 31 December 2019	<u>1.780.851</u>
Impairment losses and depreciation at 1 January 2019	<u>1.780.851</u>
Impairment losses and depreciation at 31 December 2019	<u>1.780.851</u>
Carrying amount at 31 December 2019	<u><u>0</u></u>

Notes

6 Equity

	<u>Share capital</u>	<u>Share premium account</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2019	2.701.000	52.856.840	-49.064.002	6.493.838
Net profit/loss for the year	0	0	7.677.084	7.677.084
Equity at 31 December 2019	<u>2.701.000</u>	<u>52.856.840</u>	<u>-41.386.918</u>	<u>14.170.922</u>

7 Long term debt

	<u>Debt at 1 January 2019</u>	<u>Debt at 31 December 2019</u>	<u>Instalment next year</u>	<u>Debt outstanding after 5 years</u>
Payables to group entities	2.241.230	0	0	0
Other payables	0	262.142	0	0
	<u>2.241.230</u>	<u>262.142</u>	<u>0</u>	<u>0</u>

8 Contingent liabilities

The company has entered into rent agreements with a minimum liability of t.DKK 993.

The company has entered lease agreements with a total liability of t.DKK 60.