

FRONTLAB DK ApS
Nitivej 10, 1.
2000 Frederiksberg
Business Registration No
32559441

Annual report 2018

The Annual General Meeting adopted the annual report on 19.03.2019

Chairman of the General Meeting

Name: Lars Olesen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2018	7
Balance sheet at 31.12.2018	8
Statement of changes in equity for 2018	10
Notes	11
Accounting policies	13

Entity details

Entity

FRONTLAB DK ApS

Nitivej 10, 1.

2000 Frederiksberg

Central Business Registration No (CVR): 32559441

Registered in: Frederiksberg

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Henrik Wilsbech Lottrup

Lars Olesen

Stig Jørgensen

Executive Board

Ib Nikolaj Tørsleff

Ruvan Paul Fernando

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of FRONTLAB DK ApS for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 19.02.2019

Executive Board

Ib Nikolaj Tørsleff

Ruvan Paul Fernando

Board of Directors

Henrik Wilsbech Lottrup

Lars Olesen

Stig Jørgensen

Independent auditor's report

To the shareholder of FRONTLAB DK ApS

Opinion

We have audited the financial statements of FRONTLAB DK ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the 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:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 19.02.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Nikolaj Thomsen
State Authorised Public Accountant
Identification No (MNE) mne33276

Management commentary

Primary activities

The company's primary activity is to deliver language services to B2C-market.

Development in activities and finances

The income statement of the Company 2018 shows a profit of DKK 1.793.045. At 31 December 2018, the balance sheet of the Company shows Equity of DKK 10.382.635.

As of the 1 of January 2018 activities and assets were transferred to the Company from parent Language-wire A/S. In consideration for the transfer a capital increase of 7500 was given from the parent Company.

Events after the balance sheet date

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

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross profit		11.468.100	2.416.267
Staff costs	1	(8.942.676)	(2.428.064)
Depreciation, amortisation and impairment losses	2	<u>(4.583)</u>	<u>(2.500)</u>
Operating profit/loss		2.520.841	(14.297)
Other financial income		237.446	18.889
Other financial expenses		<u>(457.040)</u>	<u>(3.658)</u>
Profit/loss before tax		2.301.247	934
Tax on profit/loss for the year	3	<u>(508.202)</u>	<u>(307)</u>
Profit/loss for the year		<u>1.793.045</u>	<u>627</u>
Proposed distribution of profit/loss			
Retained earnings		<u>1.793.045</u>	<u>627</u>
		<u>1.793.045</u>	<u>627</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Goodwill		0	4.583
Intangible assets	4	0	4.583
Deposits		142.953	123.343
Fixed asset investments	5	142.953	123.343
Fixed assets		142.953	127.926
Trade receivables		10.671.395	640.966
Receivables from group enterprises		2.390.815	316.949
Receivables from associates		0	10.333
Deferred tax		0	1.562
Receivables		13.062.210	969.810
Cash		799.795	1.236.679
Current assets		13.862.005	2.206.489
Assets		14.004.958	2.334.415

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		200.000	125.000
Retained earnings		<u>10.182.635</u>	<u>784.439</u>
Equity		<u>10.382.635</u>	<u>909.439</u>
Prepayments received from customers		1.432.229	0
Trade payables		287.299	520.244
Income tax payable		506.640	0
Other payables		<u>1.396.155</u>	<u>904.732</u>
Current liabilities other than provisions		<u>3.622.323</u>	<u>1.424.976</u>
Liabilities other than provisions		<u>3.622.323</u>	<u>1.424.976</u>
Equity and liabilities		<u>14.004.958</u>	<u>2.334.415</u>
Contingent liabilities	6		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	784.439	909.439
Effect of mergers and business combinations	75.000	7.605.151	7.680.151
Profit/loss for the year	<u>0</u>	<u>1.793.045</u>	<u>1.793.045</u>
Equity end of year	<u>200.000</u>	<u>10.182.635</u>	<u>10.382.635</u>

As of 1 of January 2018 assets has been transferred to the Company. The assets has a net value of DKK 7.680.151. The assets has been provided as a non-cash contribution with a expansion of the contributed capital of 75 shares with a nominal value of DKK 1.000 and a price per share of DKK 102.400.

Notes

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	8.899.394	2.355.202
Other social security costs	4.701	72.862
Other staff costs	38.581	0
	8.942.676	2.428.064
Average number of employees	13	
	2018	2017
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	4.583	2.500
	4.583	2.500
	2018	2017
	DKK	DKK
3. Tax on profit/loss for the year		
Current tax	506.640	307
Adjustment concerning previous years	1.562	0
	508.202	307
		Goodwill
		DKK
4. Intangible assets		
Cost beginning of year		2.720.947
Cost end of year		2.720.947
Amortisation and impairment losses beginning of year		(2.716.364)
Amortisation for the year		(4.583)
Amortisation and impairment losses end of year		(2.720.947)
Carrying amount end of year		0

Notes

	Deposits
	DKK
	<hr/>
5. Fixed asset investments	
Cost beginning of year	123.343
Additions	<hr/> 19.610
Cost end of year	<hr/> 142.953 <hr/>
Carrying amount end of year	<hr/> 142.953 <hr/>

6. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Languagewire Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial state-ments.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises of interest income, payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies.

Accounting policies

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill

Goodwill is the positive difference between cost and fair value of assets and liabilities arising from acquisitions. Goodwill is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. For one amount of goodwill, it has not been possible to estimate useful life reliably, for which reason such useful life has been set at 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.