Ezenta A/S

Hørkær 14, 2730 Herlev

CVR-nr. 32 56 27 60

Annual report for 2019

The annual report is approved on the ordinary general meeting

Herlev, 17 February 2020

Petri Kairinen

Chairman

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The company

Ezenta A/S
Hørkær 14
2730 Herlev
CVR-No.: 32 56 27 60
Fiscal year 01.01.19 – 31.12.19

Executive Management

Niels Kemal Onat

Errit Jean Müller

Board of directors

Petri Kairinen

Osomo Lipponen

Janne Kärkkäinen

Auditors

Beierholm Statsautoriseret Revisionpartnerselskab

Statement by the board of directors and Executive Management

The board of directors and the executive management have today considered and adopted the Annual Report of Ezenta 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. December2019 of the company and the results of the company operations for 2019.

We recommended that the annual Report be adopted at the Annual General Meeting.

Herlev, 17 February 2020

Executive board

Niels Kemal Onat
CEO

Errit Jean Müller

Board of Directors

Petri Kairinen
Chairman

Osomo Lipponen

Janne Kärkkäinen

To the shareholders of Ezenta A/S

Opinion

We have audited the financial statements of Ezenta A/S for the financial year 1 January 2019 - 31 December 2019, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (*Årsregnskabsloven*).

In our opinion, the accompanying financial statements present fairly, in all material respects, the company's assets, equity and liabilities and financial position as at 31 December 2019 and the company's financial performance for the financial year 1 January 2019 - 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 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 the auditor's 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) together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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

The management is responsible for the preparation and fair presentation of the financial statements in accordance with the Danish Financial Statements Act and for such internal control as the 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, the 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 unless the 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 International Standards on Auditing 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 International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment 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 the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting in its preparation of 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 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 achieves fair presentation.

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 regarding the management's review

The management is responsible for the management's review.

Our opinion on the financial statements does not include the management's review, and we do not express any form of opinion on the management's review.

In connection with our audit of the financial statements, it is our responsibility to read the management's review and in this connection consider whether the management's review is materially inconsistent with the financial statements or the knowledge we have obtained during our audit, or in any other way appears to be materially misstated.

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

Based on the work performed, we believe that the management's review is in accordance with the financial statements and has been prepared in accordance with the provisions of the Danish Financial Statements Act. We have not detected any material misstatement in the management's review.

Copenhagen, Soeborg, 17. February 2020

Beierholm

Statsautoriseret Revisionspartnerselskab

CVR no. 32 89 54 68

Anders Ladegaard

State Authorized Public Accountant

MNE no. mne18830

2019 was an exciting year for Ezenta/Nixu. Nixu OY acquired 100% of Ezenta shares as of April 1st, 2019.

The year was characterized by an integration process, which was carried out as planned and satisfactory.

This year's overall result is not satisfactory. In particular, the 2nd and 3rd quarters did not go as expected, while the 4Q ended better than expected and the start of 2020 looks positive.

Ezenta now Nixu A/S in 2019 began offering the Danish market new services from other Nixu markets, and Nixu DK services to other Nixu markets. This has gone satisfactorily.

Own shares:

	Price DKK	Number of shares	Nominal value DKK	Procentage of capital
Own shares pr. 1 January 2019		60.034	60.034	7%
Acquisition during the year	0	0	0	0%
Capital reduction	0	0	0	-7%
Own shares pr. 31 December 2019		60.034	60.034	0%

Notes		2019 Dkk	2018 Dkk
	Gross Profit	15.981.701	21.927.303
1	Staff expenses	-21.503.002	-19.262.832
	EBITDA	-5.521.301	2.664.471
	Depreciation, amortisation and impairment losses	-610.873	-228.379
	EBIT	-6.132.174	2.436.092
	Financial Income	27.688	37.797
	Financial Expenses	-164.139	-14.155
	Profit before tax	-6.268.625	2.459.734
	Tax for the year	4.606	-616.841
	Profit/Loss for the year	-6.264.019	1.842.893

Distribution of profit

Retained earnings	-5.877.085	1.842.893
Other reserves	-386.934	0
	-6.264.019	1.842.893

Assets

Notes		31.12.19 DKK	31.12.18 DKK
	Completed development projects	*0*	386.934
	Goodwill	*0*	11.000
	Development projects	*0*	0
2	**Intangible fixed assets**	***0***	**397.934**
	Other inventory and equipment	*119.755*	288.458
	Tangible fixed assets	***119.755***	**288.458**
	Deposits	*161.367*	177.492
	Financial fixed assets	***161.367***	**177.492**
	Total Fixed assets	***281.122***	**863.884**
	Inventories	*28.898*	93.547
	Inventories	***28.898***	**93.547**
3	Work in progress for third parties	*40.113*	220.825
	Trade receivables	*21.466.833*	33.036.453
	Other receivables	*63.119*	151.480
	Prepayments	*3.876.217*	1.013.879
	Income tax receivable	*239.212*	0
	Receivables	***25.685.494***	**34.422.637**
	Cash at bank and in hand	***1.111.416***	**3.052.213**
	Current assets	***26.825.808***	**37.568.397**
	Assets	***27.106.930***	**38.432.281**

Equity and Liabilities

Note		31.12.19 DKK	31.12.18 DKK
	Share capital	842.593	842.593
	Reserves	0	386.934
	Retained earnings	-1.287.248	4.589.839
	Equity	-444.655	5.819.366
	Provisions for deferred tax	65.848	65.848
	Total provisions	65.848	65.848
	Payables to group enterprises	1.500.000	0
	Other long-term debt	735.628	
4	**Long-term debt**	2.235.628	0
3	Work in progress for third parties	263.675	40.750
	Prepayment received from customers	1.705.661	1.871.014
	Trade payables	15.634.981	27.256.242
	Payables to group enterprises	185.379	0
	Corporation tax	0	363.621
	Other Payables	3.379.744	3.015.440
	Deferred income	4.080.669	0
	Short-term-debt	25.250.109	32.547.067
	Debt	27.485.737	32.547.067
	Liabilities and Equity	27.106.930	38.432.281

5 Contingent Liabilities
6 Charges and security

Statement of changes in Equity at 31. December

DKK	Share capital	Reserves	Retained earnings	Total
Equity at 1 January 2019				
Equity at 1 January 2019	842.593	386.934	3.579.640	5.819.366
Acquisition of treasurey shares	0	0	0	0
Share-based payment	0	0	0	0
Transfer to/from reserves	0	0	0	0
Distribution of profit	0	-386.934	-5.877.085	-6.264.019
Capital reduction	-60.034	0	60.034	0
Equity at 31. December 2019	782.559	0	-2.237.411	-444.653

	2019 DKK	2018 DKK
1. Staff expenses		
Wages and salaries	*20.191.987*	18.083.675
Pensions	*1.073.266*	969.552
Other social security expenses	*237.749*	209.605
	21.503.002	19.262.832
Average number of employees	27	25

2. Intangible assets

DKK	Development projects	Goodwill	Total
Cost at 1 January 2019	1.150.140	532.000	212.380
Additions for the year	-649.240	0	-649.240
Cost at 31 December 2019	500.900	532.000	1.032.900
Depreciation at 1 January	-763.206	-521.000	-1.284.206
Depreciation for the year	-31.670	-11.000	-42.670
Transferred during the year to other items	293.976	0	293.976
Depreciation at 31 December 2019	-500.900	-532.000	-1.032.900
Carrying amount at 31 December	0	0	0

3. Work in progress for third parties

DKK	2019 DKK	2018 DKK
Work in progress for third parties	1.142.928	706.175
On-accuount invoicing	-1.366.490	-526.100
Work in progress for third parties	-223.562	180.075
Work in progress	40.113	220.825
Received prepayment regarding work in progress for third parties, short-term debt liabilities	-263.675	-40.750
Total	-223.562	180.075

4. Long-term debt

	Over 5 years DKK
Total Long-term liabilities	735.628

5. Contingent liabilieies

	31.12.19 DKK	31.12.18 DKK
Total Contingent liabilieies	1.444.347	835.831

6. Charges and security

In order to guarantee debt to the bank, the company has made a floating charge on nom tkr 1.900
The floating charge includes trade receivables with an amount on tkr 21.466

7. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (Årsregnskabsloven) for enterprises in reporting class B with application of provisions for a higher reporting class.

The accounting policies have been applied consistently with previous years.

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 depreciation, amortisation, impairment losses and write downs, 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, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets, inventories and other non monetary assets acquired in foreign currencies are translated using historical exchange rates.

DERIVATIVE FINANCIAL INSTRUMENTS

On initial recognition, derivative financial instruments are measured at cost. Subsequently, they are measured at fair value and recognised under other receivables and other payables, respectively.

Fair value adjustment of derivative financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or liability (fair value hedging) are recognised in the income statement together with any changes in the value of the hedged asset or liability.

Fair value adjustments of derivative financial instruments that do not meet the criteria for hedge accounting treatment are recognised under other net financials in the income statement on an ongoing basis.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue and cost of sales and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Income from the delivery of services is recognised as delivery takes place, which means that revenue corresponds to the selling price of the work performed for the year stated on the basis of the stage of completion at the balance sheet date (percentage of completion method).

Cost of sales

Cost of sales comprises cost of sales for the year measured at cost plus any changes in inventories, including write downs to the extent that these do not exceed normal write downs.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Completed development projects	3-5	0
Goodwill	10	0
Plant and machinery	2	0
Other plant, fixtures and fittings, tools and equipment	2-3	0

Goodwill is amortised over 10 years. The useful life has been determined in consideration of the expected future net earnings of the enterprise or activity to which the goodwill relates.

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies as well as gains and losses on payables etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Intangible assets

Completed development projects

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

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

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Goodwill

Goodwill is measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Goodwill is amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of intangible assets

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise plant and machinery as well as other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist. Impairment losses on goodwill are not reversed.

Inventories

Inventories are measured at cost calculated according to the FIFO principle. Inventories are written down to the lower of cost and net realisable value.

The cost of raw materials and consumables as well as goods for resale is determined as purchase prices plus expenses resulting directly from the purchase.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and the expected development in the selling price.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write downs for bad debts.

Write downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by.

Work in progress for third parties

Work in progress for third parties is measured at the selling price of the work performed less on account invoicing made for each piece of work in progress.

The selling price is measured according to the stage of completion at the balance sheet date and total expected income from each piece of work in progress. The degree of completion for each piece of work in progress is normally calculated as the ratio between the resources spent and the total budgeted resource consumption. For some work in progress where the resource consumption cannot be used as a basis, the ratio between completed subactivities and the combined subactivities for the individual piece of work in progress is used instead.

When the selling price of a piece of work in progress cannot be determined reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual piece of work in progress is recognised under receivables or payables in the balance sheet depending on whether the net value of the selling price less pre-payments received is positive or negative.

When it is likely that the total costs of the individual piece of work in progress will exceed total sales income, the total expected loss is recognised as a provision.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

An amount equivalent to internally generated development costs in the balance sheet is recognised in equity under reserve for development costs. The reserve is measured less deferred tax and reduced by amortisation and impairment losses on the asset. If impairment losses on development costs are subsequently reversed, the reserve will be restored with a corresponding amount. The reserve is dissolved when the development costs are no longer associated with the operations of the enterprise, and the remaining amount will be transferred to retained earnings. In accordance with act no. 738 amending the Danish Financial Statements Act of 1 June 2015, development costs will initially be recognised in the reserve, with initial recognition in the balance sheet from 1 January 2016.

Acquisition costs and consideration for treasury shares as well as dividends therefrom are recognised directly in equity under retained earnings.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed based on the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised based on all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured based on management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured based on the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Short term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Payables that are effectively hedged by derivative financial instruments are measured at fair value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.