
Propeople Group ApS

Lyngbyvej 2, DK-2100 København Ø

Annual Report for 1 January - 31 December 2019

CVR No 32 66 81 86

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
29/5 2020

Magnus Sveen Christensen
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Propeople Group ApS for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

København, 30 January 2020

Executive Board

Thomas Pedersen
Executive Officer

Board of Directors

Thomas Pedersen
Chairman

Nancy Stango

Magnus Sveen Christensen

Michael Koefoed Steensborg
Drejer

The Independent Practitioner's Report

To the Shareholder of Propeople Group ApS

Conclusion

We have performed an extended review of the Financial Statements of Propeople Group ApS for the financial year 1 January - 31 December 2019, which comprise 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.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 rules and requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Management's responsibility 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 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.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

The Independent Practitioner's Report

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review 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 extended review, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Hellerup, 30 January 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

State Authorised Public Accountant

mne16675

Company Information

The Company

Propeople Group ApS
Lyngbyvej 2
DK-2100 København Ø
E-mail: finance-eu@ffwagency.com

CVR No: 32 66 81 86
Financial period: 1 January - 31 December
Municipality of reg. office: København

Board of Directors

Thomas Pedersen, Chairman
Nancy Stango
Magnus Sveen Christensen
Michael Koefoed Steensborg Drejer

Executive Board

Thomas Pedersen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Propeople Group ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

Provision of digital services to public and private companies and organizations through subsidiaries.

Development in the year

The income statement of the Company for 2019 shows a profit of DKK 1,394,322, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 2,904,462.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		3,142,416	4,142,674
Staff expenses	1	-4,133,875	-3,897,865
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-9,608	-10,093
Profit/loss before financial income and expenses		-1,001,067	234,716
Income from investments in subsidiaries		2,173,447	0
Financial income		7,552	1,586
Financial expenses	2	-6,660	-16,362
Profit/loss before tax		1,173,272	219,940
Tax on profit/loss for the year	3	221,050	-48,258
Net profit/loss for the year		1,394,322	171,682

Distribution of profit

Proposed distribution of profit

Retained earnings		1,394,322	171,682
		1,394,322	171,682

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Other fixtures and fittings, tools and equipment		9,547	19,155
Property, plant and equipment	4	9,547	19,155
Investments in subsidiaries	5	3,509,803	4,839,526
Fixed asset investments		3,509,803	4,839,526
Fixed assets		3,519,350	4,858,681
Receivables from group enterprises		3,404,895	4,363,903
Other receivables		228,203	302,500
Deferred tax asset		524,029	523,563
Corporation tax		220,584	0
Corporation tax receivable from group enterprises		0	114,223
Receivables		4,377,711	5,304,189
Cash at bank and in hand		74,981	122,679
Currents assets		4,452,692	5,426,868
Assets		7,972,042	10,285,549

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		262,500	262,500
Retained earnings		2,641,962	1,247,640
Equity		2,904,462	1,510,140
Trade payables		49,738	566,800
Payables to group enterprises		4,292,356	4,943,530
Payables to owners and Management		0	1,452,112
Other payables		725,486	1,812,967
Short-term debt		5,067,580	8,775,409
Debt		5,067,580	8,775,409
Liabilities and equity		7,972,042	10,285,549
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Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	262,500	1,247,640	1,510,140
Net profit/loss for the year	0	1,394,322	1,394,322
Equity at 31 December	262,500	2,641,962	2,904,462

Notes to the Financial Statements

	2019 <u>DKK</u>	2018 <u>DKK</u>
1 Staff expenses		
Wages and salaries	3,781,803	3,588,858
Pensions	332,254	296,734
Other social security expenses	10,326	11,960
Other staff expenses	9,492	313
	<u>4,133,875</u>	<u>3,897,865</u>
Average number of employees	<u>2</u>	<u>2</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
2 Financial expenses		
Other financial expenses	6,660	16,362
	<u>6,660</u>	<u>16,362</u>
3 Tax on profit/loss for the year		
Current tax for the year	230,352	0
Deferred tax for the year	-451,402	48,258
	<u>-221,050</u>	<u>48,258</u>
4 Property, plant and equipment		Other fixtures and fittings, tools and equipment <u>DKK</u>
Cost at 1 January		<u>66,702</u>
Cost at 31 December		<u>66,702</u>
Impairment losses and depreciation at 1 January		47,547
Depreciation for the year		<u>9,608</u>
Impairment losses and depreciation at 31 December		<u>57,155</u>
Carrying amount at 31 December		<u>9,547</u>

Notes to the Financial Statements

	2019	2018
	DKK	DKK
5 Investments in subsidiaries		
Cost at 1 January	4,839,526	4,839,526
Additions for the year	130,852	0
Disposals for the year	-1,460,575	0
Cost at 31 December	<u>3,509,803</u>	<u>4,839,526</u>
Value adjustments at 1 January	<u>0</u>	<u>0</u>
Value adjustments at 31 December	<u>0</u>	<u>0</u>
Carrying amount at 31 December	<u>3,509,803</u>	<u>4,839,526</u>

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
FFW GmbH	Vienna, AT	35.000 EUR	100%
Wearepropeople LLC	Dnipro, UKR	15.000 UAH	90%
FFW Danmark ApS	Copenhagen, DK	131.250 DKK	100%
i.c.s. propeople SRL	Chisinau, MD	7.577 MDL	100%
FFW UK Ltd	London, UK	100 GBP	100%
Bysted A/S	Copenhagen, DK	1.562.500 DKK	80%
FFW Vietnam LLC	Hanoi, VN	4.334.600.000 VND	100%
FFW France Sarl	Paris, FR	1.000 EUR	100%

6 Contingent assets, liabilities and other financial obligations

Contingent liabilities

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

Notes to the Financial Statements

7 Related parties

The Company is included in the Consolidated Annual Report of its Parent Company.

Name	Place of registered office
Fiona Acquisition ApS	Tuborg Boulevard 12, 2900 Hellerup, Denmark

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Propeople Group ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Fiona Acquisition ApS, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

8 Accounting Policies (continued)

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Revenue

Revenue comprises management fee from group enterprises and is recognized in the income statement when delivery and transfer of risk has been made before year end.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Other operating income and expenses

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

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

8 Accounting Policies (continued)

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation with the subsidiaries is allocated to enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

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

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
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Depreciation period and residual value are reassessed annually.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Receivables

Receivables are measured in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Equity

Dividend

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

Notes to the Financial Statements

8 Accounting Policies (continued)

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and 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 taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial debts

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

Deferred income

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