

Software Improvement Group - Nordic ApS

Bredgade 30, 1260 København K

CVR no. 32 67 51 23

**Annual report for the period
1 January to 31 December 2020**

Adopted at the annual general meeting on 26
February 2021

Anna Johanna Theresia Masen
chairman



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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Software Improvement Group - Nordic ApS for the financial year 1 January - 31 December 2020.

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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020.

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.

Copenhagen, 26 February 2021

Executive board

Robert Ernst Pijselman

Anna Johanna Theresia Masen

Independent auditor's report

To the shareholder of Software Improvement Group - Nordic ApS

Opinion

We have audited the financial statements of Software Improvement Group - Nordic ApS for the financial year 1 January - 31 December 2020, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 2020 and of the results of the company's operations for the financial year 1 January - 31 December 2020 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 judgement 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 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.

Independent auditor's report

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 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.

Copenhagen, 26 February 2021

Baker Tilly Denmark

Godkendt Revisionspartnerselskab
CVR no. 35 25 76 91

Peter Aagesen
State Authoried Public Accountant
MNE no. mne41287

Company details

The company	Software Improvement Group - Nordic ApS Bredgade 30 1260 København K CVR no.: 32 67 51 23 Reporting period: 1 January - 31 December 2020 Incorporated: 18. January 2010 Domicile: Copenhagen
Executive board	Robert Ernst Pijselman Anna Johanna Theresia Masen
Auditors	Baker Tilly Denmark Godkendt Revisionspartnerselskab Poul Bundgaards Vej 1, 1. 2500 Valby

Management's review

Business review

Our main activities can be characterized as Software with a Service. Measurements of software product quality aspects are performed by utilizing inhouse developed tooling; advice is then based on the outcomes of these measurements, as well as an analysis of the client's situation and specific questions or challenges. Our differentiator is that we perform 'fact based' consultancy. We benchmark our customers towards our database that consists of data gathered over the last decade from companies around the globe in any given industry. We offer customers a broad portfolio of solutions; these are bundled in our technology platform Sigrid.

Financial review

The company's income statement for the year ended 31. december 2020 shows a profit of EUR 529.133, and the balance sheet at 31 December 2020 shows equity of EUR 1.019.699.

The group finds the growth and profit for the year to be satisfying.

In the financial year, there has been an outbreak and spread of the coronavirus due to the COVID-19 pandemic. However, the company is not expected to be significantly affected by the outbreak and so far, COVID-19 has not significantly affected the company's activity or operations.

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.

Income statement 1 January - 31 December

	Note	2020 EUR	2019 EUR
Gross profit		1.176.080	1.301.948
Staff costs	1	-509.519	-661.275
Profit/loss before amortisation/depreciation and impairment losses		666.561	640.673
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-4.319	-7.407
Other operating costs		5.483	0
Profit/loss before net financials		667.725	633.266
Financial income	2	11.457	2.429
Financial costs	3	-196	-359
Profit/loss before tax		678.986	635.336
Tax on profit/loss for the year	4	-149.853	-118.696
Profit/loss for the year		529.133	516.640
Recommended appropriation of profit/loss			
Retained earnings		529.133	516.640
		529.133	516.640

Balance sheet 31 December

	Note	2020	2019
		EUR	EUR
Assets			
Other fixtures and fittings, tools and equipment		1.586	5.905
Tangible assets	5	1.586	5.905
Deposits		13.656	13.656
Fixed asset investments		13.656	13.656
Total non-current assets		15.242	19.561
Trade receivables		173.322	474.825
Receivables from related parties		289.579	224.992
Other receivables		9.343	9.029
Deferred tax asset		3.657	4.042
Prepayments		8.145	10.297
Receivables		484.046	723.185
Cash at bank and in hand		983.383	230.502
Total current assets		1.467.429	953.687
Total assets		1.482.671	973.248

Balance sheet 31 December

	Note	2020	2019
		EUR	EUR
Equity and liabilities			
Share capital		16.789	16.789
Retained earnings		1.002.910	473.777
Equity		1.019.699	490.566
Trade payables		63.141	91.393
Payables to related parties		25	803
Corporation tax		157.908	119.197
Other payables		241.898	218.294
Deferred income		0	52.995
Total current liabilities		462.972	482.682
Total liabilities		462.972	482.682
Total equity and liabilities		1.482.671	973.248
Contingent liabilities	6		

Statement of changes in equity

	Share capital	Retained earnings	Total
	EUR	EUR	EUR
Equity at 1 January	16.789	473.777	490.566
Net profit/loss for the year	0	529.133	529.133
Equity at 31 December	16.789	1.002.910	1.019.699

Notes

	2020	2019
	EUR	EUR
1 Staff costs		
Wages and salaries	454.764	570.967
Pensions	32.614	60.307
Other social security costs	9.384	5.893
Other staff costs	12.757	24.108
	509.519	661.275
	<hr/>	<hr/>
Average number of employees	6	6
	<hr/>	<hr/>
2 Financial income		
Interest received from related parties	6.692	2.421
Exchange gains	4.765	8
	11.457	2.429
	<hr/>	<hr/>
3 Financial costs		
Other financial costs	196	359
	196	359
	<hr/>	<hr/>
4 Tax on profit/loss for the year		
Current tax for the year	149.468	122.738
Deferred tax for the year	385	-4.042
	149.853	118.696
	<hr/>	<hr/>

Notes

5 Tangible assets

	Other fixtures and fittings, tools and equipment
	<u>EUR</u>
Cost at 1 January	<u>24.315</u>
Cost at 31 December	<u>24.315</u>
Impairment losses and depreciation at 1 January	18.410
Depreciation for the year	<u>4.319</u>
Impairment losses and depreciation at 31 December	<u>22.729</u>
Carrying amount at 31 December	<u><u>1.586</u></u>

6 Contingent liabilities

The company has entered into leases with a total liability of t.EUR 18.

Accounting policies

The annual report for Software Improvement Group - Nordic ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class Benterprises. Furthermore, the company has chosen to comply with some of the rules applying for class Centerprises.

The accounting policies applied are consistent with those of last year.

The annual report for 2020 is presented in EUR

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.

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 inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Accounting policies

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.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

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.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to realised and unrealised capital/exchange gains and foreign currency transactions and liabilities and surcharges and allowances under the Danish Tax Prepayment 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.

Accounting policies

Balance sheet

Tangible assets

Items of plant and machinery and 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. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

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

Other fixtures and fittings, tools and equipment	3-4 years
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Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

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.

Prepayments

Deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

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. Deferred tax is measured at net realisable value.

Accounting policies

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

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

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