

# M Mobility A/S

Raffinaderivej 10  
2300 København S

CVR no. 32 77 74 65

## Annual report 2019

The annual report was presented and approved at  
the Company's annual general meeting on

18 August 2020

chairman

  
Stejneger

  
Poul

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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of M Mobility A/S for the financial year 1 January – 31 December 2019.

The annual report has been 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 assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.


We recommend that the annual report be approved at the annual general meeting.

18 August 2020  
Executive Board:



Søren Hass  
CEO


Board of Directors:



Stijn Nijhuis  
Chairman



Martijn Nicolaas  
Albertus van der Pas



Charles Kenneth Uhd  
Jensen Ginnerkov



## Independent auditor's report

### To the shareholders of M Mobility A/S

#### Opinion

We have audited the financial statements of M Mobility A/S for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet and notes, including 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 Company's assets, liabilities and 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 rules and requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 that 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.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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

- identify and assess the risks of material misstatement of the company 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.



## Independent auditor's report

- 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 18 August 2020

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Morten Høgh-Petersen  
State Authorised  
Public Accountant  
mne34283

**M Mobility A/S**  
Annual report 2019  
CVR no. 32 77 74 65

## **Management's review**

### **Company details**

M Mobility A/S  
Raffinaderivej 10  
2300 København S

CVR no.: 32 77 74 65  
Financial year: 1 January – 31 December

### **Board of Directors**

Stijn Nijhuis, Chairman  
Martijn Nicolaas Albertusvan der Pas  
Charles Kenneth Uhd Jensen Ginnerskov

### **Executive Board**

Søren Hass, CEO

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfaergevej 28  
DK-2100 Copenhagen

## **Management's review**

### **Operating review**

#### **Principal activities**

The company's main activities is specialized IP-Solutions and service in the telephone communication area. It's the same as previous years.

#### **Development in activities and financial position**

The company achieved a profit before tax of 2,556 thousand in 2019 DKK 957 thousand DKK 2018.

From 30.10.2019 Enreach Nordics ApS holds the shares in the company.

Based on the Covid-19 pandemic, the result of 2020 may fluctuate from the regular outlook of the financial year. The result for the 2020 financial year is still expected to be at the same level as 2019

#### **Events after the balance sheet date**

There have been no events after the financial year that have a significant impact on the company's financial position.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2019	2018
<b>Gross profit</b>		17,440,689	16,299,148
Staff costs	2	-14,323,531	-14,618,142
Depreciation, amortisation and impairment losses		-543,438	-712,974
<b>Operating profit</b>		2,573,720	968,032
Financial income		0	1
Financial expenses	3	-17,548	-10,661
<b>Profit before tax</b>		2,556,172	957,372
Tax on profit/loss for the year	4	-694,575	-260,888
<b>Profit for the year</b>		1,861,597	696,484
<b>Proposed profit appropriation</b>			
Retained earnings		1,861,597	696,484
		1,861,597	696,484



## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2019	31/12 2018
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>			
	5		
Fixtures and fittings, tools and equipment		599,966	1,044,012
Leasehold improvements		<u>272,588</u>	<u>371,980</u>
		<u>872,554</u>	<u>1,415,992</u>
<b>Total fixed assets</b>		<u>872,554</u>	<u>1,415,992</u>
<b>Current assets</b>			
<b>Inventories</b>			
Raw materials and consumables		<u>142,561</u>	<u>347,803</u>
<b>Receivables</b>			
Trade receivables	6	11,820,335	2,342,788
Receivables from group entities		583,292	10,909,425
Other receivables		1,459,406	857,758
Prepayments		<u>348,149</u>	<u>529,369</u>
		<u>14,211,182</u>	<u>14,639,340</u>
<b>Securities</b>		<u>0</u>	<u>995,887</u>
<b>Cash at bank and in hand</b>		<u>6,561,402</u>	<u>0</u>
<b>Total current assets</b>		<u>20,915,145</u>	<u>15,983,030</u>
<b>TOTAL ASSETS</b>		<u><u>21,787,699</u></u>	<u><u>17,399,022</u></u>

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	31/12 2019	31/12 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital	7	500,000	500,000
Retained earnings		1,727,559	4,865,962
Proposed dividends for the financial year		5,000,000	0
<b>Total equity</b>		<u>7,227,559</u>	<u>5,365,962</u>
<b>Provisions</b>			
Provisions for deferred tax		78,196	33,502
<b>Total provisions</b>		<u>78,196</u>	<u>33,502</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Banks, current liabilities		0	75,660
Trade payables		10,309,398	6,210,144
Payables to group entities		7,089	465,179
Corporation tax		953,459	303,578
Other payables		3,211,998	4,944,997
		<u>14,481,944</u>	<u>11,999,558</u>
<b>Total liabilities other than provisions</b>		<u>14,481,944</u>	<u>11,999,558</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>21,787,699</u></u>	<u><u>17,399,022</u></u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of M Mobility A/S for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Gross profit

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

#### Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

#### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

#### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

#### Tax on profit/loss for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption). Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Leasehold improvements	2-5 years
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The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Land is not depreciated.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

##### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

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

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Equity

###### Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

##### Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

##### Cash at bank and in hand

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

##### Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

## Financial statements 1 January – 31 December

### Notes

DKK	2019	2018	
<b>2 Staff costs</b>			
Wages and salaries	14,134,290	14,469,803	
Other social security costs	189,241	148,339	
	<u>14,323,531</u>	<u>14,618,142</u>	
Average number of full-time employees	22	19	
<b>3 Financial expenses</b>			
Other financial costs	17,548	10,661	
	<u>17,548</u>	<u>10,661</u>	
<b>4 Tax on profit/loss for the year</b>			
Current tax for the year	649,881	303,578	
Adjustment of deferred tax	44,694	-42,690	
	<u>694,575</u>	<u>260,888</u>	
<b>5 Property, plant and equipment</b>			
DKK	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2019	<u>2,730,599</u>	<u>795,135</u>	<u>3,525,734</u>
Cost at 31 December 2019	<u>2,730,599</u>	<u>795,135</u>	<u>3,525,734</u>
Depreciation losses at 1 January 2019	-1,686,587	0	-1,686,587
Depreciation for the year	<u>-444,046</u>	<u>-522,547</u>	<u>-966,593</u>
Depreciation losses at 31 December 2019	<u>-2,130,633</u>	<u>-522,547</u>	<u>-2,653,180</u>
<b>Carrying amount at 31 December 2019</b>	<u>599,966</u>	<u>272,588</u>	<u>872,554</u>
<b>6 Trade receivables</b>			
The main debtor is a former group entity. Therefore current and prior year is not fully comparable in regards figures shown in the balance statement.			
<b>7 Equity</b>			
The contributed capital consists of 500 shares of a nominal value of DKK 1,000 each.			
All shares rank equally.			

## **Financial statements 1 January – 31 December**

### **Notes**

#### **8 Contractual obligations, contingencies, etc.**

##### **Contingent liabilities**

The Company is jointly taxed with its parent company, Enreach Nordics ApS, which acts as management company, and has limited and alternative liability together with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.