

# Izara ApS

Strandlosvej 30, 2300 København S  
CVR no. 33 76 04 34

## Annual report for 2018

Årsrapporten er godkendt på den  
ordinære generalforsamling, d. 25.03.19

Peter Mægbæk  
Dirigent

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**The company**

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Izara ApS  
Strandlosvej 30  
2300 København S  
Registered office: København  
CVR no.: 33 76 04 34  
Financial year: 01.01 - 31.12

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**Executive Boards**

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Thomas Henrik Meede  
Jakob Ingemann

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**Board Of Directors**

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Peter Christian Mægbæk Madsen  
Thomas Henrik Meede  
Jakob Ingemann  
Tridip Saha

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**Auditors**

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Beierholm  
Statsautoriseret Revisionspartnerselskab

## Statement of the Board of Directors and Executive Board on the annual report

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We have on this day presented the annual report for the financial year 01.01.18 - 31.12.18 for Izara ApS.

The annual report is presented in accordance with Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31.12.18 and of the results of the company's activities for the financial year 01.01.18 - 31.12.18.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Copenhagen, March 18, 2019

### Executive Boards

Thomas Henrik Meede

Jakob Ingemann

### Board Of Directors

Peter Christian Mægbæk Madsen  
Chairman

Thomas Henrik Meede

Jakob Ingemann

Tridip Saha

**To the capital owners of Izara ApS****Opinion**

We have conducted an extended review of the financial statements of Izara ApS for the financial year 01.01.18 - 31.12.18 comprising the income statement, balance sheet, statement of changes in equity and notes, inclusive of accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the financial statements present fairly, in all material respects, the company's assets, equity and liabilities and financial position as at 31.12.18 and the company's financial performance for the financial year 01.01.18 - 31.12.18 in accordance with the Danish Financial Statements Act.

**Basis for opinion**

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 'Auditor'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.

**Statement regarding the 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, 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 extended review, or in any other way 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 Acts. We did not identify any material misstatement of management's review.

### **Management's responsibility 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, 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 extended review of the financial statements**

Our responsibility is to conduct an ex-extended review of the financial statements in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements financial statements prepared in accordance with the Danish Financial Statements Act and to issue an extended review report. However, because of the matter described in the 'Basis for disclaimer of opinion' section of our report, we were not able to obtain sufficient appropriate evidence to provide a basis for an audit opinion on these financial statements

An extended review comprises procedures primarily consisting of enquiries to the management and, if appropriate, other company employees, analytical procedures, the specifically required supplementary procedures as well as an assessment of the evidence obtained.

The scope of procedures performed in an extended review is not as extensive as for an audit. Consequently, we do not express an audit opinion on the financial statements.

Nykøbing F, March 18, 2019

**Beierholm**

Statsautoriseret Revisionspartnerselskab  
CVR no. 32 89 54 68

Lars Strange Hansen

State Authorized Public Accountant  
MNE-no. mne29479

**Primary activities**

The company's principal activity is providing IT-consultancy and other related activities.

**Development in activities and financial affairs**

The income statement for the period 01.01.18 - 31.12.18 shows a profit/loss of DKK 1,205,553 against DKK 4,510,893 for the period 01.01.17 - 31.12.17. The balance sheet shows equity of DKK 5,601,912.

**Subsequent events**

No important events have occurred after the end of the financial year.



## Income statement

Note		2018 DKK	2017 DKK
	<b>Gross profit</b>	<b>11,287,466</b>	<b>13,807,378</b>
1	Staff costs	-10,384,298	-8,527,226
	<b>Profit/loss before depreciation, amortisation, write-downs and impairment losses</b>	<b>903,168</b>	<b>5,280,152</b>
	Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment	-269,739	-339,543
	<b>Profit/loss before net financials</b>	<b>633,429</b>	<b>4,940,609</b>
2	Income from equity investments in group enterprises	771,643	789,654
3	Financial expenses	-62,048	-160,983
	<b>Profit/loss before tax</b>	<b>1,343,024</b>	<b>5,569,280</b>
	Tax on profit or loss for the year	-137,471	-1,058,387
	<b>Profit/loss for the year</b>	<b>1,205,553</b>	<b>4,510,893</b>
<b>Proposed appropriation account</b>			
	Reserve for net revaluation according to the equity method	771,643	789,654
	Extraordinary dividend for the financial year	0	11,323,450
	Retained earnings	433,910	-7,602,211
	<b>Total</b>	<b>1,205,553</b>	<b>4,510,893</b>

<b>ASSETS</b>		31.12.18	31.12.17
		DKK	DKK
Note			
	Other fixtures and fittings, tools and equipment	338,419	394,789
	<b>Total property, plant and equipment</b>	<b>338,419</b>	<b>394,789</b>
	Equity investments in group enterprises	1,734,717	1,410,695
	Deposits	127,308	120,000
	<b>Total investments</b>	<b>1,862,025</b>	<b>1,530,695</b>
	<b>Total non-current assets</b>	<b>2,200,444</b>	<b>1,925,484</b>
4	Work in progress for third parties	0	78,663
	Trade receivables	2,810,205	5,421,784
	Deferred tax asset	61,185	47,054
	Income tax receivable	464,398	0
	Prepayments	249,242	141,892
	<b>Total receivables</b>	<b>3,585,030</b>	<b>5,689,393</b>
	<b>Cash</b>	<b>3,297,501</b>	<b>1,970,703</b>
	<b>Total current assets</b>	<b>6,882,531</b>	<b>7,660,096</b>
	<b>Total assets</b>	<b>9,082,975</b>	<b>9,585,580</b>

<b>EQUITY AND LIABILITIES</b>		31.12.18	31.12.17
		DKK	DKK
Note			
	Share capital	1,423,000	1,423,000
	Reserve for net revaluation according to the equity method	1,496,842	1,172,819
	Retained earnings	2,682,070	1,820,510
	<b>Total equity</b>	<b>5,601,912</b>	<b>4,416,329</b>
	Payables to other credit institutions	0	3,915
4	Prepayments received from work in progress for third parties	75,103	0
	Trade payables	677,686	532,995
	Payables to group enterprises	1,140,967	542,447
	Income taxes	0	137,525
	Other payables	1,587,307	3,952,369
	<b>Total short-term payables</b>	<b>3,481,063</b>	<b>5,169,251</b>
	<b>Total payables</b>	<b>3,481,063</b>	<b>5,169,251</b>
	<b>Total equity and liabilities</b>	<b>9,082,975</b>	<b>9,585,580</b>

5 Contingent liabilities

## Statement of changes in equity

Figures in DKK	Share capital	Reserve for net revaluation according to the equity method	Retained earnings	Total equity
Statement of changes in equity for 01.01.18 - 31.12.18				
Balance pr. 01.01.18	1,423,000	1,172,819	1,820,510	4,416,329
Foreign currency translation adjustment of foreign enterprises	0	-19,970	0	-19,970
Distributed dividend from group enterprises	0	-427,650	427,650	0
Net profit/loss for the year	0	771,643	433,910	1,205,553
Balance as at 31.12.18	1,423,000	1,496,842	2,682,070	5,601,912

	2018 DKK	2017 DKK
<b>1. Staff costs</b>		
Wages and salaries	9,420,491	7,745,754
Pensions	426,124	308,973
Other social security costs	110,226	69,273
Other staff costs	427,457	403,226
<b>Total</b>	<b>10,384,298</b>	<b>8,527,226</b>
Average number of employees during the year	9	9

## 2. Income from equity investments in group enterprises

Share of profit or loss of group enterprises	771,643	789,654
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## 3. Financial expenses

Interest, group enterprises	0	23,500
Other interest expenses	19,710	22,335
Foreign currency translation adjustments	42,338	115,148
<b>Other financial expenses total</b>	<b>62,048</b>	<b>137,483</b>
<b>Total</b>	<b>62,048</b>	<b>160,983</b>

	31.12.18 DKK	31.12.17 DKK
<b>4. Work in progress for third parties</b>		
Work in progress for third parties	20,445	78,663
On-account invoicing	-95,548	0
Work in progress for third parties	-75,103	78,663
Work in progress for third parties	0	78,663
Prepayments received from work in progress for third parties, short-term payables	-75,103	0
Total	-75,103	78,663

#### 5. Contingent liabilities

##### *Lease commitments*

The company has concluded lease agreements with terms to maturity of 6 months and average lease payments of DKK 21k, a total of DKK 126k.

## 6. 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.

In accordance with section 110 of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### 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 the company, 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 the company, 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 and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

**6. Accounting policies** - continued -

On recognition of foreign subsidiaries which are independent entities, the income statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity.

Translation adjustments of intercompany balances with independent foreign subsidiaries, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

**LEASES**

Lease payments relating to operating leases are recognised in the income statement on a straight-line basis over the lease term.

**INCOME STATEMENT****Gross profit**

Gross profit comprises revenue 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 sale of services is recognised as delivery takes place. Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.



## 6. Accounting policies - continued -

### 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 and impairment losses

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

	Useful life, year	Residual value DKK
Other plant, fixtures and fittings, tools and equipment	3-5	0

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

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

### Income from equity investments in group enterprises

For equity investments in subsidiaries, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in subsidiaries also comprises gains and losses on the sale of equity investments.

## 6. Accounting policies - continued -

### Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies 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.

The company is jointly taxed with Danish consolidated enterprises.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

## BALANCE SHEET

### Property, plant and equipment

Property, plant and equipment comprise 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 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.

## 6. Accounting policies - continued -

### Equity investments in group enterprises

Equity investments in subsidiaries are recognised and measured according to the equity method, meaning that these equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of positive or negative goodwill and gains and losses on transactions with the enterprises in question.

Gains or losses on the divestment of subsidiaries are determined as the difference between the divestment consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

### 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.

If the company's 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.

### 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.

## 6. Accounting policies - continued -

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

### 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 prepayments 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

The net revaluation of equity investments in subsidiaries is recognised in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

## 6. Accounting policies - continued -

### Current and deferred tax

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

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of 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 on the basis of 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 on the basis of 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.