

TrueCommerce Denmark ApS

Banevænget 13, 2, 3460 Birkerød

Company reg. no. 33 77 63 49

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 31 May 2019.



Jakob Vestergaard Kurubacak
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management's review	
Company data	5
Financial highlights	6
Management's review	7
Annual accounts 1 January - 31 December 2018	
Accounting policies used	9
Profit and loss account	13
Balance sheet	14
Statement of changes in equity	16
Notes	17

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of TrueCommerce Denmark ApS for the financial year 1 January to 31 December 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

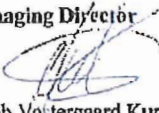
We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Birkerød, 31 May 2019

Managing Director



Jakob Vestergaard Kurubacak

Board of directors


Ross James Elliott
Chairman of the board


Edward Flint Seaton


Michael John Cornell


Jakob Vestergaard Kurubacak


David Peter Grosvenor

Independent auditor's report

To the shareholder of TrueCommerce Denmark ApS

Opinion

We have audited the annual accounts of TrueCommerce Denmark ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 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 below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an 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 may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

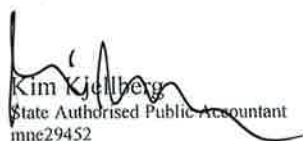
Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 31 May 2019

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36


Kim Kjellberg
State Authorised Public Accountant
mne29452


Jacob Helly Juell-Hansen
State Authorised Public Accountant
mne36169

Company data

The company

TrueCommerce Denmark ApS
Banevænget 13, 2
3460 Birkerød

Phone +45 4582 1600

Web site www.truecommerce.com

Company reg. no. 33 77 63 49

Financial year: 1 January - 31 December

Board of directors

Ross James Elliott, Chairman of the board
Edward Flint Seaton
Michael John Cornell
Jakob Vestergaard Kurubacak
David Peter Grosvenor

Managing Director

Jakob Vestergaard Kurubacak

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Subsidiary

TrueCommerce Norway AS, Norway

Financial highlights

DKK in thousands.	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Profit and loss account:					
Net turnover	95.365	93.415	101.711	107.730	112.262
Gross profit	70.417	71.687	65.934	69.077	76.342
Results from operating activities	19.864	22.700	17.943	-1.163	4.432
Net financials	197	141	635	-763	-170
Results for the year	17.532	21.499	18.414	-1.927	4.267
Balance sheet:					
Balance sheet sum	123.196	94.790	50.951	35.763	32.191
Investments in tangible fixed assets represent	3.377	666	1.659	1.577	3.346
Equity	60.912	43.380	21.881	3.467	5.393
Employees:					
Average number of full time employees	59	59	59	80	94
Key figures in %:					
Gross margin	73,8	76,7	64,8	64,1	68,0
Solvency ratio	49,4	45,8	42,9	9,7	16,8
Return on equity	33,6	65,9	145,3	-43,5	79,1

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The key figures appearing from the survey have been calculated as follows:

Gross margin	$\frac{\text{Gross results} \times 100}{\text{Net turnover}}$
Equity share	$\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$
Return on equity	$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$

Management's review

The principal activities of the company

TrueCommerce Denmark ApS' business foundation is based on providing scalable and managed EDI-services to companies of all sizes.

Development in activities and financial matters

The income statement of the Company for 2018 shows a profit of tDKK 17.532 and at 31 December 2018 the balance sheet of the Company shows an equity of tDKK 60.912.

TrueCommerce Denmark ApS has achieved satisfactory results in 2018.

The past year and follow-up on development expectations from last year

Consistent with our forecast, we were able to continue the positive trend from 2016 and 2017 mainly aimed at securing profit.

Special risks

Business risks:

In a company such as TrueCommerce Denmark ApS, where development of new services is a cornerstone, the primary business risks are related to the lack of ability to keep pace with or be ahead of development compared to its competitors. An important prerequisite for this to be possible is that the necessary resources for employee development are set aside on a continuing basis.

Financial exposure:

To the management's best judgement the company is not exposed to any specific risk besides the normal risk of adverse movements in the market, exchange rates and interests.

TrueCommerce Denmark ApS is continuously evaluating this risk. The main currencies for TrueCommerce Denmark ApS are, however, DKK, NOK and EUR. As the risk is evaluated to be low, there is no systematic hedging of this exposure.

Intellectual capital resources

Qualified employees are the key to growth and success. TrueCommerce Denmark ApS is in a market where innovation time gets still shorter, and where the demand for adaptability and willingness to change are continuously growing.

TrueCommerce Denmark ApS' staff policy is aimed at creating the framework for a sound and challenging working environment, where the employees thrive and their competencies are developed. The aim is still to strive to offer a motivating, challenging and stimulating working environment.

Research and development activities

To stay competitive, new and better solutions for the customers are continuously developed.

Management's review

The expected development in 2019

TrueCommerce Denmark ApS will focus on the continuing development of new services which - combined with high customer service and a stable and secure operating platform - meet demands and requests from existing as well as new customers. For TrueCommerce Denmark ApS a slight growth in revenue for 2019 is expected, and the results to be at the same level as in 2018.

Uncertainties as to recognition or measurement

The areas where assumptions and estimates are used and are essential for the annual report are:

- Receivables where write-downs for possible future expected bad debts are associated with some uncertainty.
- Payables where certain estimates are associated with the statement on the balance sheet date.
- A valid estimate of the effect of the above mentioned uncertainties relating to recognition and measurement is not possible.

Events subsequent to the financial year

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Accounting policies used

The annual report for TrueCommerce Denmark ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of TrueCommerce Denmark ApS and its group enterprises are included in the consolidated annual accounts for TrueCommerce Inc., US.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts of TrueCommerce Inc., US.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Accounting policies used

The profit and loss account

Revenue

The net turnover comprises the value of services provided during the year, including outlay for customers less VAT and price reductions directly associated with the sale.

The turnover is recognised in the profit and loss account when the sale has been completed. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- There is a binding sales agreement
- The sales price has been determined
- The payment has been received, or it can with reasonable assurance be expected to be received.

Hereby, it is ensured that recognition does not take place until the total income and costs as well as the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the economic benefits, including payments, will be received by the enterprise.

Direct costs

Direct costs comprise licenses, software etc. in relation to the revenue for the year.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown for the year gains and losses on disposal of intangible and tangible fixed assets.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Dividend from equity investment in group enterprise is recognised in the financial year where the dividend is declared.

Accounting policies used

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The balance sheet

Intangible fixed assets

Acquired software

Licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period. However, for a maximum of 10 years.

Tangible fixed assets

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

	Useful life
Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account under depreciation.

Leasing contracts

All leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Accounting policies used

Financial fixed assets

Equity investment in group enterprise

Equity investment in group enterprise is measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Deposits

Deposits are measured at amortised cost and represent rent deposits.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank.

Liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Net turnover	95.365.107	93.415.179
Direct costs	-7.454.462	-6.911.992
Other external costs	-17.493.780	-14.815.750
Gross results	70.416.865	71.687.437
1 Staff costs	-48.113.525	-46.538.241
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-2.438.952	-2.449.170
Operating profit	19.864.388	22.700.026
Other financial income	292.036	232.891
Other financial costs	-95.301	-91.752
Results before tax	20.061.123	22.841.165
2 Tax on ordinary results	-2.529.098	-1.342.198
3 Results for the year	17.532.025	21.498.967

Balance sheet 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2018</u>	<u>2017</u>
Fixed assets		
4 Acquired licenses, trademarks and similar rights	1.568.893	1.912.778
Intangible fixed assets in total	<u>1.568.893</u>	<u>1.912.778</u>
5 Other plants, operating assets, and fixtures and furniture	3.121.363	1.498.595
Tangible fixed assets in total	<u>3.121.363</u>	<u>1.498.595</u>
7 Deposits	921.168	921.168
Financial fixed assets in total	<u>921.168</u>	<u>921.168</u>
Fixed assets in total	<u>5.611.424</u>	<u>4.332.541</u>
Current assets		
Trade debtors	22.862.374	25.453.029
Amounts owed by group enterprises	82.067.722	55.263.473
Other debtors	343.201	135.978
8 Accrued income and deferred expenses	606.407	212.505
Debtors in total	<u>105.879.704</u>	<u>81.064.985</u>
Available funds	<u>11.704.478</u>	<u>9.392.912</u>
Current assets in total	<u>117.584.182</u>	<u>90.457.897</u>
Assets in total	<u>123.195.606</u>	<u>94.790.438</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2018</u>	<u>2017</u>
Equity		
Contributed capital	6.000.000	6.000.000
Results brought forward	54.911.785	37.379.760
Equity in total	<u>60.911.785</u>	<u>43.379.760</u>
 Liabilities		
Prepayments received from customers	11.809.038	10.526.172
Trade creditors	1.839.768	1.911.458
Debt to group enterprises	32.146.995	24.820.997
Other debts	16.488.020	14.152.051
Short-term liabilities in total	<u>62.283.821</u>	<u>51.410.678</u>
 Liabilities in total	<u>62.283.821</u>	<u>51.410.678</u>
 Equity and liabilities in total	<u>123.195.606</u>	<u>94.790.438</u>

9 Contingencies**10 Related parties**

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Results brought forward</u>	<u>In total</u>
Equity 1 January 2017	6.000.000	15.880.793	21.880.793
Profit or loss for the year brought forward	0	21.498.967	21.498.967
Equity 1 January 2018	6.000.000	37.379.760	43.379.760
Profit or loss for the year brought forward	0	17.532.025	17.532.025
	6.000.000	54.911.785	60.911.785

Notes

All amounts in DKK.

	<u>2018</u>	<u>2017</u>
1. Staff costs		
Salaries and wages	43.788.581	42.622.078
Pension costs	3.677.057	3.628.892
Other costs for social security	497.213	249.961
Other staff costs	150.674	37.310
	<u>48.113.525</u>	<u>46.538.241</u>
 Average number of employees	 <u>59</u>	 <u>59</u>
<p>According to section 98 B (3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.</p>		
2. Tax on ordinary results		
Tax of the results for the year	2.529.098	1.342.198
	<u>2.529.098</u>	<u>1.342.198</u>
3. Proposed distribution of the results		
Allocated to results brought forward	17.532.025	21.498.967
Distribution in total	<u>17.532.025</u>	<u>21.498.967</u>
4. Acquired licenses, trademarks and similar rights		
Cost 1 January 2018	35.958.152	35.958.152
Additions during the year	340.940	0
Cost 31 December 2018	<u>36.299.092</u>	<u>35.958.152</u>
Amortisation and writedown 1 January 2018	-34.045.374	-33.288.940
Amortisation for the year	-684.825	-756.434
Amortisation and writedown 31 December 2018	<u>-34.730.199</u>	<u>-34.045.374</u>
 Book value 31 December 2018	 <u>1.568.893</u>	 <u>1.912.778</u>

Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>		
5. Other plants, operating assets, and fixtures and furniture				
Cost 1 January 2018	14.064.452	13.402.752		
Additions during the year	3.376.895	665.831		
Disposals during the year	-9.193	-4.131		
Cost 31 December 2018	<u>17.432.154</u>	<u>14.064.452</u>		
Depreciation and writedown 1 January 2018	-12.565.857	-10.875.885		
Depreciation for the year	-1.753.361	-1.693.135		
Depreciation, amortisation and writedown for the year, assets disposed of	8.427	3.163		
Depreciation and writedown 31 December 2018	<u>-14.310.791</u>	<u>-12.565.857</u>		
Book value 31 December 2018	<u>3.121.363</u>	<u>1.498.595</u>		
6. Equity investment in group enterprise				
Acquisition sum, opening balance 1 January 2018	15.727.000	15.727.000		
Cost 31 December 2018	<u>15.727.000</u>	<u>15.727.000</u>		
Revaluations, opening balance 1 January 2018	-15.727.000	-15.727.000		
Writedown 31 December 2018	<u>-15.727.000</u>	<u>-15.727.000</u>		
Book value 31 December 2018	<u>0</u>	<u>0</u>		
The financial highlights for the enterprise according to the latest approved annual report				
	Share of ownership	Equity	Results for the year	Book value at TrueCommerce Denmark ApS
TrueCommerce Norway AS, Norway	100 %	8.669.531	256.368	0
7. Deposits				
Cost 1 January 2018		921.168	921.168	
Cost 31 December 2018		<u>921.168</u>	<u>921.168</u>	
Book value 31 December 2018		<u>921.168</u>	<u>921.168</u>	

Notes

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
8. Accrued income and deferred expenses		
Other prepayments/deferred income	<u>606.407</u>	<u>212.505</u>
	<u>606.407</u>	<u>212.505</u>

9. Contingencies

Contingent assets

The company have a tax loss-carryforward of approx. mDKK 0,9 at 31 December 2018. The tax value of this have not been recognised in the balance sheet at 31 December 2018 due to uncertainty on the timely usage of this. The tax value of the loss-carryforward is mDKK 0,2.

Contingent liabilities

The company have signed a rental agreement of the company's office facilities. The liability of this is approximately TDKK 7.018.

In addition to operational leasing contracts, the company has entered into operational leasing contracts with an average annual leasing payment of TDKK 844 and a total liability of TDKK 1.688. The leasing contracts have 1-2 years remaining.

Joint taxation

TrueCommerce Holding Aps, company reg. no 35 40 08 85 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

10. Related parties

Consolidated annual accounts

The company is included in the consolidated annual accounts of TrueCommerce Inc. US