

Qvalia A/S

Herstedøstervej 27A, 1.
2620 Albertslund

CVR no. 34 45 92 23

Annual report 2020

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

23 April 2021

Henri Olli-Pekka Taipale
chairman

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Qvalia A/S
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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 Qvalia A/S for the financial year 1 January – 31 December 2020.

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

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.

Albertslund, 23 April 2021
Executive Board:

Henri Olli-Pekka Taipale

Board of Directors:

Lars Georg Alm
Chairman

Thor Håkan Sjunnesson

Henri Olli-Pekka Taipale



Independent auditor's report

To the shareholder of Qvalia A/S

Opinion

We have audited the financial statements of Qvalia A/S for the financial year 1 January – 31 December 2020 comprising income statement, balance sheet, statement of changes in equity 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 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 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, 23 April 2021

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Morten Høgh-Petersen
State Authorised
Public Accountant
mne34283

Qvalia A/S
Annual report 2020
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Management's review

Company details

Qvalia A/S
Herstedøstervej 27A, 1.
2620 Albertslund

Website: www.qvalia.com

CVR no.: 34 45 92 23
Established: 14 March 2012
Registered office: Albertslund
Financial year: 1 January – 31 December

Board of Directors

Lars Georg Alm, Chairman
Thor Håkan Sjunnesson
Henri Olli-Pekka Taipale

Executive Board

Henri Olli-Pekka Taipale

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø

Management's review

Operating review

Principal activities

The core activity is to deliver services within Recovery Audit. The provided service mainly include examination of the customers organization and internal systems in order to discover and prevent errors, which would otherwise be devaluing

Development in activities and financial position

The Company's income statement for 2020 shows a profit of DKK 26,960 as against DKK 73,938 in 2019. Equity in the Company's balance sheet at 31 December 2020 stood at DKK 1,438,901 as against DKK 1,411,941 at 31 December 2019.

Events after the balance sheet date

No events have occurred after the financial year-end, which could significantly affect the company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK	Note	2020	2019
Gross profit		2,049,378	1,529,171
Staff costs	2	<u>-2,033,000</u>	<u>-2,121,992</u>
Profit/loss before financial income and expenses		16,378	-592,821
Other financial income	3	89,281	740,505
Other financial expenses	4	<u>-60,245</u>	<u>-51,768</u>
Profit before tax		45,414	95,916
Tax on profit/loss for the year	5	<u>-18,454</u>	<u>-21,978</u>
Profit for the year		<u>26,960</u>	<u>73,938</u>
Proposed profit appropriation			
Retained earnings		<u>26,960</u>	<u>73,938</u>
		<u>26,960</u>	<u>73,938</u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
ASSETS			
Fixed assets			
Investments			
Deposits		18,941	70,500
Total fixed assets		18,941	70,500
Current assets			
Receivables			
Trade receivables		1,631,735	686,868
Receivables from group entities		3,575,809	4,914,211
Other receivables		0	45
Prepayments		37,684	37,735
		5,245,228	5,638,859
Cash at bank and in hand		505,520	237,227
Total current assets		5,750,748	5,876,086
TOTAL ASSETS		5,769,689	5,946,586

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2020	2019
EQUITY AND LIABILITIES			
Equity			
Contributed capital		500,000	500,000
Retained earnings		938,901	911,941
Total equity		<u>1,438,901</u>	<u>1,411,941</u>
Provisions			
Provisions for deferred tax		16,592	8,302
Total provisions		<u>16,592</u>	<u>8,302</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Trade payables		835,555	1,684,497
Payables to group entities		2,417,643	2,358,676
Corporation tax		2,165	18,683
Other payables		1,058,833	464,487
		<u>4,314,196</u>	<u>4,526,343</u>
Total liabilities other than provisions		<u>4,314,196</u>	<u>4,526,343</u>
TOTAL EQUITY AND LIABILITIES		<u><u>5,769,689</u></u>	<u><u>5,946,586</u></u>
Contractual obligations, contingencies, etc.	6		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2020	500,000	911,941	1,411,941
Transferred over the profit appropriation	0	26,960	26,960
Equity at 31 December 2020	500,000	938,901	1,438,901

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Qvalia A/S for 2020 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Government grants

Government grants are recognised when it is fairly certain that the grant conditions will be complied with, and the grant will be received.

Grants compensating for costs incurred are recognised directly as operating income in the income statement as costs eligible for grants are incurred. If the conditions for receiving the grant are not complied until after related costs have been recognised, the grant is to be recognised in the income statement when the conditions have been complied with and it is fairly certain that the grant will be awarded.

Grants to acquire assets are recognised in the balance sheet as deferred income/prepayments and transferred to other operating income in the income statement line with depreciation/amortisation of the assets covered by the grant.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Revenue from the sale of services, is recognised on a straight-line basis in the income statement as the services are provided.

Other external costs

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

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 gains and losses on 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 comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Investments

Other receivables and deposits are recognised at amortised cost.

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.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial 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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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.

Liabilities other than provisions

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.

Financial statements 1 January – 31 December

Notes

DKK	<u>2020</u>	<u>2019</u>
2 Staff costs		
Wages and salaries	1,816,352	1,878,237
Pensions	200,148	216,140
Other staff costs	<u>16,500</u>	<u>27,615</u>
	<u>2,033,000</u>	<u>2,121,992</u>
Average number of full-time employees	<u>3</u>	<u>4</u>
3 Other financial income		
Interest income from group entities	89,281	74,016
Other financial income	<u>0</u>	<u>666,489</u>
	<u>89,281</u>	<u>740,505</u>
4 Other financial expenses		
Interest expense to group entities	58,967	42,728
Other financial costs	<u>1,278</u>	<u>9,040</u>
	<u>60,245</u>	<u>51,768</u>
5 Tax on profit/loss for the year		
Current tax for the year	10,164	20,683
Deferred tax for the year	<u>8,290</u>	<u>1,295</u>
	<u>18,454</u>	<u>21,978</u>

6 Contractual obligations, contingencies, etc.

Contingent liabilities

The company has entered into a rent obligation with a 3 month notice. The total rent obligation is 28.350 DKK.

The Company has been sued in connection with an wrongful dismissal by a former employee. The claim is still pending. The amount sued is 662 thousand DKK

Operating lease obligations

The Company has entered into operating leases with a remaining term of 24 months and an average monthly lease payments of DKK 5,5 thousand, totalling DKK 131 thousand.

Remaining operating lease obligations at the balance sheet date fall due at DKK 131 thousand within two years (2019: DKK 66 thousand).