

OpenSolution Denmark ApS

Herstedøstervej 27 A, 1., 2620 Albertslund

CVR no. 35 40 47 67

Annual report 2018

Approved at the Company's annual general meeting on 29 May 2019

Chairman:



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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of OpenSolution Denmark ApS for the financial year 1 January - 31 December 2018.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Board of Directors and the Executive Board have considered the criteria for omission of audit to be met.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018.

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, 29 May 2019
Executive Board:

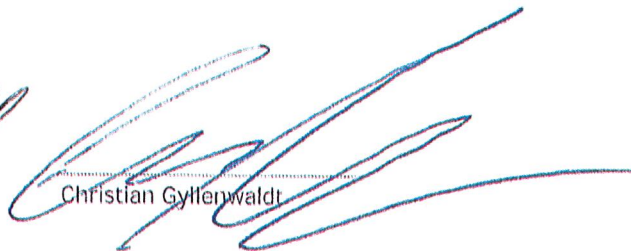


Mikael Leif Hedlöf

Board of Directors:



Mikael Leif Hedlöf
Chairman



Christian Gyllerwaldt

Independent auditor's report

To the shareholder of OpenSolution Denmark ApS

Conclusion

We have conducted an extended review of the financial statements of OpenSolution Denmark ApS for the financial year 1 January - 31 December 2018, which comprise 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.

Based on the work we have performed, in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's standard on extended review for Small entities 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. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance for our conclusion on the financial statements and perform specifically required supplementary procedures to obtain additional assurance for our conclusion.

An extended review comprises procedures that primarily consist of making enquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our conclusion 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 extended review 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 extended review, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 May 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Birgit Morville Schröder
State Authorised Public Accountant
mne21337

Management's review

Company details

| | |
|----------------------------|---|
| Name | OpenSolution Denmark ApS |
| Address, Postal code, City | Herstedøstervej 27 A, 1., 2620 Albertslund |
| CVR no. | 35 40 47 67 |
| Established | 18 July 2013 |
| Registered office | Copenhagen |
| Financial year | 1 January - 31 December |
| Board of Directors | Mikael Leif Hedlöf, Chairman Christian Gyllenwaldt |
| Executive Board | Mikael Leif Hedlöf |
| Auditors | Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark |

Management's review

Business review

The Company's activities comprise sale of cashier systems and payment terminals and other activities which Management assesses as related.

Financial review

The income statement for 2018 shows a loss of DKK 641 thousand against a profit of DKK 347 thousand last year, and the balance sheet at 31 December 2018 shows a negative equity of DKK 198 thousand.

The Company has lost more than half of the share capital and is subject to the provisions on re-establishment of the share capital under the Danish Companies Act.

The Company has completed its discussions with the parent company, OS Group AB, on the financing required to cover the Company's liabilities up to and including 31 December 2019, including fulfilment of a letter of support issued to OpenSolution Denmark ApS. In 2019, the financing an equity base will be sufficient for the Company to meet its liabilities for a period of at least 12 months after the preparation of the annual report.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

| Note | DKK'000 | 2018 | 2017 |
|------|---|--------|--------|
| | Gross profit | 707 | 1,956 |
| 3 | Staff costs | -1,401 | -1,550 |
| | Profit/loss before net financials | -694 | 406 |
| 4 | Financial income | 83 | 88 |
| 5 | Financial expenses | -30 | -49 |
| | Profit/loss before tax | -641 | 445 |
| 6 | Tax for the year | 0 | -98 |
| | Profit/loss for the year | -641 | 347 |
| | Recommended appropriation of profit/loss | | |
| | Proposed dividend recognised under equity | 0 | 1,700 |
| | Retained earnings/accumulated loss | -641 | -1,353 |
| | | -641 | 347 |

Financial statements 1 January - 31 December

Balance sheet

| Note | DKK'000 | 2018 | 2017 |
|------|------------------------------------|--------------|--------------|
| | ASSETS | | |
| | Fixed assets | | |
| | Investments | | |
| | Deposits | 31 | 20 |
| | | <u>31</u> | <u>20</u> |
| | Total fixed assets | <u>31</u> | <u>20</u> |
| | Non-fixed assets | | |
| | Inventories | | |
| | Raw materials and consumables | 0 | 76 |
| | | <u>0</u> | <u>76</u> |
| | Receivables | | |
| | Trade receivables | 747 | 1,704 |
| | Receivables from group enterprises | 0 | 951 |
| | Corporation tax receivable | 258 | 180 |
| | Other receivables | 0 | 3 |
| | Prepayments | 48 | 25 |
| | | <u>1,053</u> | <u>2,863</u> |
| | Cash | 264 | 313 |
| | Total non-fixed assets | <u>1,317</u> | <u>3,252</u> |
| | TOTAL ASSETS | <u>1,348</u> | <u>3,272</u> |

Financial statements 1 January - 31 December

Balance sheet

| Note | DKK'000 | 2018 | 2017 |
|------|--|--------------|--------------|
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| 7 | Share capital | 80 | 80 |
| | Retained earnings | -278 | 363 |
| | Dividend proposed | 0 | 1,700 |
| | Total equity | -198 | 2,143 |
| | Liabilities other than provisions | | |
| | Current liabilities other than provisions | | |
| | Trade payables | 154 | 111 |
| | Payables to group enterprises | 545 | 98 |
| | Other payables | 528 | 615 |
| | Deferred income | 319 | 305 |
| | | 1,546 | 1,129 |
| | Total liabilities other than provisions | 1,546 | 1,129 |
| | TOTAL EQUITY AND LIABILITIES | 1,348 | 3,272 |

- 1 Accounting policies
- 2 Capital and financing
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

| DKK'000 | Share capital | Retained earnings | Dividend proposed | Total |
|--|---------------|-------------------|-------------------|--------|
| Equity at 1 January 2018 | 80 | 363 | 1,700 | 2,143 |
| Transfer through appropriation of loss | 0 | -641 | 0 | -641 |
| Dividend distributed | 0 | 0 | -1,700 | -1,700 |
| Equity at 31 December 2018 | 80 | -278 | 0 | -198 |

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of OpenSolution Denmark ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Income from the sale of goods for resale and finished goods is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can be measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

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.

Gross profit

The items revenue, cost of sales and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Raw materials and consumables, etc.

Raw materials and consumables include expenses relating to raw materials and consumables used in generating the year's revenue.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

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.

Balance sheet

Investments

Deposits are recognised at cost.

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

The cost of consumables comprises the cost of acquisition plus delivery costs.

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short-term securities which are readily convertible into cash and subject only to minor risks of changes in value.

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".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Capital and financing

The Company has lost more than half of the share capital and is, therefore, subject to provisions applying to capital loss under the Danish Companies Act.

The Company has completed its discussions with the parent company, OS Group AB and has obtained a commitment for the necessary financing of operations up to and including 31 December 2019

| DKK'000 | 2018 | 2017 |
|---------------------------------------|--------------|--------------|
| 3 Staff costs | | |
| Wages/salaries | 1,382 | 1,508 |
| Other social security costs | 14 | 24 |
| Other staff costs | 5 | 18 |
| | <u>1,401</u> | <u>1,550</u> |
| Average number of full-time employees | <u>4</u> | <u>4</u> |
| 4 Financial income | | |
| Other financial income | 83 | 88 |
| | <u>83</u> | <u>88</u> |
| 5 Financial expenses | | |
| Other financial expenses | 30 | 49 |
| | <u>30</u> | <u>49</u> |
| 6 Tax for the year | | |
| Estimated tax charge for the year | 0 | 98 |
| | <u>0</u> | <u>98</u> |

The company has an unposted tax asset of DKK 141 thousand.

7 Share capital

The Company's share capital has remained DKK 80 thousand over the past 5 years.

8 Contractual obligations and contingencies, etc.

Other financial obligations

Rent liabilities include a rent obligation totalling DKK 46 thousand in interminable rent agreements with remaining contract terms of 3 months.

Financial statements 1 January - 31 December

Notes to the financial statements

9 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2018.

10 Related parties

OpenSolution Denmark ApS' related parties comprise the following:

Parties exercising control

| <u>Related party</u> | <u>Domicile</u> | <u>Basis for control</u> |
|----------------------|--|------------------------------------|
| OS Group AB | Lindholmspiren 7A, 417 56 Göteborg, Sweden | Parent - Participating interest |

Information about consolidated financial statements

| <u>Parent</u> | <u>Domicile</u> |
|--------------------|--|
| OS Nordic Group AB | Lindholmspiren 7A, 417 56 Göteborg, Sweden |