

RelateIT A/S

Jernbanegade 1, 2.
5000 Odense C
Business Registration No
35480730

Annual report 2018

The Annual General Meeting adopted the annual report on 28.05.2019

Chairman of the General Meeting

Name: Rasmus Ravnholdt Knudsen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2018	7
Balance sheet at 31.12.2018	8
Statement of changes in equity for 2018	10
Notes	11
Accounting policies	14

Entity details

Entity

RelateIT A/S
Jernbanegade 1, 2.
5000 Odense C

Central Business Registration No (CVR): 35480730
Registered in: Odense
Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Anders Østergaard
Rasmus Ravnholdt Knudsen
Svend Stenberg Mølholt

Executive Board

Simon Eglin Berthelsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of RelateIT A/S for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28.05.2019

Executive Board

Simon Eglin Berthelsen

Board of Directors

Anders Østergaard

Rasmus Ravnholdt Knudsen

Svend Stenberg Mølholt

Independent auditor's report

To the shareholder of RelateIT A/S

Opinion

We have audited the financial statements of RelateIT A/S for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 as 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 taken 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:

Independent auditor's report

- Identify and assess the risks of material misstatement of the 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.
- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 28.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Kåre Valtersdorf
State Authorised Public Accountant
Identification No (MNE) mne34490

Management commentary

Primary activities

The main activity of the Company is to offer IT solutions and other related solutions.

Development in activities and finances

The result for the year shows a profit at 6,946,124 DKK, against a profit last year at 8,809,464 DKK. The profit for the year is satisfactory.

Events after the balance sheet date

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

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross profit		49.101.353	44.177.013
Staff costs	1	(40.481.230)	(32.298.373)
Depreciation, amortisation and impairment losses		(803.721)	(773.357)
Other operating expenses		<u>3.095</u>	<u>(9.494)</u>
Operating profit/loss		7.819.497	11.095.789
Other financial income	2	1.178.060	330.396
Other financial expenses		<u>(91.103)</u>	<u>(51.947)</u>
Profit/loss before tax		8.906.454	11.374.238
Tax on profit/loss for the year	3	<u>(1.960.330)</u>	<u>(2.564.774)</u>
Profit/loss for the year		<u>6.946.124</u>	<u>8.809.464</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		0	5.000.000
Retained earnings		<u>6.946.124</u>	<u>3.809.464</u>
		<u>6.946.124</u>	<u>8.809.464</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Completed development projects		49.865	94.093
Acquired intangible assets		<u>126.721</u>	<u>164.593</u>
Intangible assets	4	<u>176.586</u>	<u>258.686</u>
Other fixtures and fittings, tools and equipment		1.263.577	1.227.286
Leasehold improvements		<u>658.133</u>	<u>414.211</u>
Property, plant and equipment	5	<u>1.921.710</u>	<u>1.641.497</u>
Deposits		<u>196.218</u>	<u>78.886</u>
Fixed asset investments	6	<u>196.218</u>	<u>78.886</u>
Fixed assets		<u>2.294.514</u>	<u>1.979.069</u>
Trade receivables		14.230.484	14.478.924
Receivables from group enterprises		27.295.248	15.876.482
Deferred tax		3.911.503	4.644.008
Other receivables		275.454	0
Prepayments		<u>563.695</u>	<u>189.463</u>
Receivables		<u>46.276.384</u>	<u>35.188.877</u>
Cash		<u>1.264.375</u>	<u>1.890.833</u>
Current assets		<u>47.540.759</u>	<u>37.079.710</u>
Assets		<u>49.835.273</u>	<u>39.058.779</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		500.000	500.000
Retained earnings		14.954.833	8.008.709
Proposed dividend		0	5.000.000
Equity		<u>15.454.833</u>	<u>13.508.709</u>
Bank loans		226.276	287.270
Prepayments received from customers		1.447.561	559.873
Trade payables		3.794.574	3.568.571
Payables to group enterprises		14.489.902	1.448.349
Income tax payable		1.223.960	7.202.546
Other payables	7	<u>13.198.167</u>	<u>12.483.461</u>
Current liabilities other than provisions		<u>34.380.440</u>	<u>25.550.070</u>
Liabilities other than provisions		<u>34.380.440</u>	<u>25.550.070</u>
Equity and liabilities		<u>49.835.273</u>	<u>39.058.779</u>
Unrecognised rental and lease commitments	8		
Contingent liabilities	9		
Group relations	10		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500.000	8.008.709	5.000.000	13.508.709
Ordinary dividend paid	0	0	(5.000.000)	(5.000.000)
Profit/loss for the year	0	6.946.124	0	6.946.124
Equity end of year	500.000	14.954.833	0	15.454.833

Notes

	2018	2017
	DKK	DKK
1. Staff costs		
Wages and salaries	35.772.554	28.775.735
Pension costs	2.505.102	1.962.617
Other social security costs	352.102	247.959
Other staff costs	1.851.472	1.312.062
	40.481.230	32.298.373
 Average number of employees	 52	 41
	2018	2017
	DKK	DKK
2. Other financial income		
Financial income arising from group enterprises	1.137.522	252.413
Exchange rate adjustments	40.538	77.983
	1.178.060	330.396
	2018	2017
	DKK	DKK
3. Tax on profit/loss for the year		
Current tax	1.223.961	7.202.546
Change in deferred tax	762.913	(4.663.179)
Adjustment concerning previous years	(26.544)	25.407
	1.960.330	2.564.774

Notes

	Completed develop- ment projects DKK	Acquired intangible assets DKK
4. Intangible assets		
Cost beginning of year	266.303	189.379
Additions	41.630	0
Cost end of year	307.933	189.379
Amortisation and impairment losses beginning of year	(172.210)	(24.786)
Amortisation for the year	(85.858)	(37.872)
Amortisation and impairment losses end of year	(258.068)	(62.658)
Carrying amount end of year	49.865	126.721
	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
5. Property, plant and equipment		
Cost beginning of year	2.108.692	492.619
Additions	875.748	371.361
Disposals	(688.570)	0
Cost end of year	2.295.870	863.980
Revaluations beginning of year	0	(16.574)
Revaluations end of year	0	(16.574)
Depreciation and impairment losses beginning of year	(881.406)	(61.834)
Depreciation for the year	(552.552)	(127.439)
Reversal regarding disposals	401.665	0
Depreciation and impairment losses end of year	(1.032.293)	(189.273)
Carrying amount end of year	1.263.577	658.133

Notes

	Deposits
	DKK
6. Fixed asset investments	
Cost beginning of year	78.886
Additions	117.332
Cost end of year	196.218
Carrying amount end of year	196.218

	2018	2017
	DKK	DKK
7. Other payables		
VAT and duties	3.264.824	3.499.444
Wages and salaries, personal income taxes, social security costs, etc payable	2.994.506	2.908.920
Holiday pay obligation	5.481.582	4.581.507
Other costs payable	1.457.255	1.493.590
	13.198.167	12.483.461

	2018	2017
	DKK	DKK
8. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	1.932.126	869.042

9. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Endeavour Invest ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the entity is therefore liable for income taxes etc. for the jointly taxed entities, and obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. Corporate income tax payable for the Danish jointly taxed companies amounted to USD 0m at 31 December 2018 (2017: USD 0m).

10. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Monjasa Holding A/S, Fredericia

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with the Danish Parent company. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise

Accounting policies

can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is 2 years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

Intellectual property rights acquired are measured at cost less accumulated amortisation.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Scrapvalue is 0 DKK.

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements, the depreciation period cannot exceed the contract period. Estimated useful lives and residual values are reassessed annually. Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Scrapvalue is 0 DKK.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.