

RelateIT A/S

Jernbanegade 1, 2.
5000 Odense C
CVR No. 35480730

Annual report 2019

The Annual General Meeting adopted the
annual report on 05.06.2020

Rasmus Ravnholdt Knudsen
Chairman of the General Meeting

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Entity details

Entity

RelateIT A/S

Jernbanegade 1, 2.

5000 Odense C

CVR No.: 35480730

Registered office: Odense

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Svend Stenberg Mølholt, Chairman

Anders Østergaard

Rasmus Ravnholdt Knudsen

Executive Board

Simon Eglin Berthelsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P. O. Box 1600

0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of RelateIT A/S for the financial year 01.01.2019 - 31.12.2019.

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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019.

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, 05.06.2020

Executive Board

Simon Eglin Berthelsen

Board of Directors

Svend Stenberg Mølholt
Chairman

Anders Østergaard

Rasmus Ravnholdt Knudsen

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 01.01.2019 - 31.12.2019, 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 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 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:

- 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.

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, 05.06.2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Kåre Kansonen 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 6,201,946 DKK, against a profit last year at 6,946,124 DKK. The profit for the year is satisfactory.

Events after the balance sheet date

Management follows the development of the current Covid-19 health situation closely and the impact on our business and employees.

We are following governmental guidelines throughout the world and adjusting our daily work and routines accordingly.

We have not experienced any material impact on our business or financial performance, however, Management acknowledges increased uncertainty, which may affect our activity level as the health situation develops. Furthermore, we have not seen any negative development in our customers' ability to pay or changes to our financing.

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

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Gross profit/loss		63,015,163	49,104,448
Staff costs	1	(54,496,758)	(40,481,230)
Depreciation, amortisation and impairment losses		(1,141,276)	(803,721)
Other operating expenses		(93,885)	0
Operating profit/loss		7,283,244	7,819,497
Other financial income	2	857,637	1,137,522
Other financial expenses		(61,140)	(50,565)
Profit/loss before tax		8,079,741	8,906,454
Tax on profit/loss for the year	3	(1,877,795)	(1,960,330)
Profit/loss for the year		6,201,946	6,946,124
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		15,000,000	0
Retained earnings		(8,798,054)	6,946,124
Proposed distribution of profit and loss		6,201,946	6,946,124

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Acquired intangible assets		88,849	126,721
Acquired licences		15,603	49,865
Intangible assets	4	104,452	176,586
Other fixtures and fittings, tools and equipment		1,000,851	1,263,577
Leasehold improvements		935,482	658,133
Property, plant and equipment	5	1,936,333	1,921,710
Deposits		510,566	196,218
Other financial assets	6	510,566	196,218
Fixed assets		2,551,351	2,294,514
Trade receivables		14,928,985	14,230,484
Receivables from group enterprises		21,869,566	27,295,248
Deferred tax		3,241,692	3,911,503
Other receivables		452,858	275,454
Prepayments		863,384	563,695
Receivables		41,356,485	46,276,384
Cash		10,674	1,264,375
Current assets		41,367,159	47,540,759
Assets		43,918,510	49,835,273

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		500,000	500,000
Retained earnings		6,156,779	14,954,833
Proposed dividend		15,000,000	0
Equity		21,656,779	15,454,833
Other payables		1,878,276	0
Non-current liabilities other than provisions		1,878,276	0
Bank loans		234,940	226,276
Prepayments received from customers		1,419,458	1,447,561
Trade payables		5,026,968	3,794,574
Payables to group enterprises		1,826,946	14,489,902
Income tax payable		1,196,559	1,223,960
Other payables		10,678,584	13,198,167
Current liabilities other than provisions		20,383,455	34,380,440
Liabilities other than provisions		22,261,731	34,380,440
Equity and liabilities		43,918,510	49,835,273
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Group relations	9		

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	14,954,833	0	15,454,833
Profit/loss for the year	0	(8,798,054)	15,000,000	6,201,946
Equity end of year	500,000	6,156,779	15,000,000	21,656,779

Notes

1 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	48,259,074	35,772,554
Pension costs	3,423,303	2,505,102
Other social security costs	496,516	352,102
Other staff costs	2,317,865	1,851,472
	54,496,758	40,481,230
Average number of full-time employees	72	52

2 Other financial income

	2019 DKK	2018 DKK
Financial income from group enterprises	857,637	1,137,522
	857,637	1,137,522

3 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	1,196,549	1,223,961
Change in deferred tax	681,235	762,913
Adjustment concerning previous years	11	(26,544)
	1,877,795	1,960,330

4 Intangible assets

	Acquired intangible assets DKK	Acquired licences DKK
Cost beginning of year	189,379	307,933
Cost end of year	189,379	307,933
Amortisation and impairment losses beginning of year	(62,658)	(258,068)
Amortisation for the year	(37,872)	(34,262)
Amortisation and impairment losses end of year	(100,530)	(292,330)
Carrying amount end of year	88,849	15,603

5 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	2,295,870	863,980
Additions	836,160	496,490
Disposals	(403,580)	0
Cost end of year	2,728,450	1,360,470
Revaluations beginning of year	0	(16,574)
Revaluations end of year	0	(16,574)
Depreciation and impairment losses beginning of year	(1,032,293)	(189,273)
Depreciation for the year	(850,001)	(219,141)
Reversal regarding disposals	154,695	0
Depreciation and impairment losses end of year	(1,727,599)	(408,414)
Carrying amount end of year	1,000,851	935,482

6 Financial assets

	Deposits DKK
Cost beginning of year	196,218
Additions	314,348
Cost end of year	510,566
Carrying amount end of year	510,566

7 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	1,660,082	1,932,126

8 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 for 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 DKK 0m at 31 December 2019 (2018: DKK 0m).

9 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 to 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales 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.

Other operating income

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

Cost of sales

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

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 writedowns of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities. Gains and losses from the sale of intangible assets and property, plant and equipment are recognised as other operating expenses/income.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and 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, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and 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.

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.

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.

Scrap value 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.

Scrap value is 0 DKK.

Receivables

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value 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. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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