

RelateIT A/S

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

Annual report 2021

The Annual General Meeting adopted the
annual report on 22.06.2022

Rasmus Ravnholdt Knudsen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2021	9
Balance sheet at 31.12.2021	10
Statement of changes in equity for 2021	12
Notes	13
Accounting policies	17

Entity details

Entity

RelateIT A/S

Jernbanegade 1, 2.

5000 Odense C

Business Registration No.: 35480730

Registered office: Odense

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Anders Østergaard

Svend Stenberg Mølholt

Rasmus Ravnholdt Knudsen

Executive Board

Simon Eglin Berthelsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

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 01.01.2021 - 31.12.2021.

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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

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.

Odense, 22.06.2022

Executive Management

Simon Eglin Berthelsen

Board of Directors

Anders Østergaard

Svend Stenberg Mølholt

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 01.01.2021 - 31.12.2021, 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 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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, 22.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Siggaard Hansen

State Authorised Public Accountant
Identification No (MNE) mne32208

Muhammad Ismaeel Rasul

State Authorised Public Accountant
Identification No (MNE) mne46641

Management commentary

Financial highlights

	2021 DKK'000	2020 DKK'000	2019 DKK'000	2018 DKK'000	2017 DKK'000
Key figures					
Gross profit/loss	99,839	75,331	63,015	49,101	44,177
Operating profit/loss	10,982	8,406	7,283	7,819	11,096
Net financials	(82)	540	796	1,087	278
Profit/loss for the year	8,461	7,067	6,202	6,946	8,809
Total assets	46,121	44,584	43,919	49,835	39,059
Investments in property, plant and equipment	1,739	1,141	1,333	1,247	955
Equity	16,405	13,723	21,657	15,455	13,509
Average number of employees	112	88	72	52	41
Ratios					
EBIT margin (%)	7.37	7.52	7.31	10.12	15.57
Return on equity (%)	56.17	39.95	33.42	47.96	95.57
Equity ratio (%)	35.57	30.78	49.31	31.01	34.59

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

EBIT margin (%):

$\frac{\text{Operating income} * 100}{\text{Revenue}}$

Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Primary activities

The main activity of the Company is to offer ERP implementation solutions, customized IT solutions and other related activities.

Development in activities and finances

The result for the year shows a profit at 8,461,357 DKK, against a profit last year at 7,066,694 DKK. The profit for the year is satisfactory.

Profit/loss for the year in relation to expected developments

The development in the result for the year compared to 2020 is in accordance with Management's expectations for the financial year 2021. The financial year 2021 has been a year of consolidation and financial investment in the future business including new and improved services, technologies and new locations.

The Company continues the strategy of extensive diversification of risk in its diverse global client portfolios and has through successful wins in 2021 managed to increase the number of global clients. The revenue and gross profit that has increased over the past years indicates that the Company's focus on business central is still very much in demand.

Unusual circumstances affecting recognition and measurement

There are no material unusual circumstances affecting recognition and measurement during the year.

Outlook

Management is confident of a positive financial result and expects the result to be between 8 and 12 million DKK. This will be done strategically both by investing in best-of-breed solutions and technologies centered around the core business, Microsoft Business Central, and focusing on industry-based solutions. Furthermore, the Company expects to grow the business through financial investments as well as increasing manning by 25% in 2022.

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 2021

	Notes	2021 DKK	2020 DKK
Gross profit/loss		99,838,503	75,331,178
Staff costs	1	(87,477,059)	(65,614,550)
Depreciation, amortisation and impairment losses		(1,379,451)	(1,311,047)
Operating profit/loss		10,981,993	8,405,581
Other financial income	2	177,651	756,805
Other financial expenses	3	(259,831)	(217,168)
Profit/loss before tax		10,899,813	8,945,218
Tax on profit/loss for the year	4	(2,438,456)	(1,878,524)
Profit/loss for the year	5	8,461,357	7,066,694

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Acquired intangible assets		168,362	51,238
Acquired licences		4,836	9,301
Intangible assets	6	173,198	60,539
Other fixtures and fittings, tools and equipment		1,095,781	917,677
Leasehold improvements		1,130,069	906,387
Property, plant and equipment	7	2,225,850	1,824,064
Deposits		1,209,491	811,209
Financial assets	8	1,209,491	811,209
Fixed assets		3,608,539	2,695,812
Trade receivables		22,367,162	17,903,373
Contract work in progress	9	9,773,638	575,886
Receivables from group enterprises		6,704,933	19,700,410
Deferred tax	10	1,807,022	2,555,994
Other receivables		765,601	804,133
Prepayments	11	1,084,847	341,756
Receivables		42,503,203	41,881,552
Cash		9,263	6,336
Current assets		42,512,466	41,887,888
Assets		46,121,005	44,583,700

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital	12	500,000	500,000
Retained earnings		9,904,829	7,443,472
Proposed dividend		6,000,000	5,780,000
Equity		16,404,829	13,723,472
Bank loans		333,276	192,769
Prepayments received from customers		2,438,580	1,355,708
Contract work in progress	9	172,202	0
Trade payables		4,238,302	6,832,490
Payables to group enterprises		1,819,204	1,010,823
Tax payable		1,667,485	1,280,836
Other payables	13	19,047,127	20,187,602
Current liabilities other than provisions		29,716,176	30,860,228
Liabilities other than provisions		29,716,176	30,860,228
Equity and liabilities		46,121,005	44,583,700
Contingent liabilities	14		
Related parties with controlling interest	15		
Non-arm's length related party transactions	16		
Group relations	17		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	500,000	7,443,472	5,780,000	13,723,472
Ordinary dividend paid	0	0	(5,780,000)	(5,780,000)
Profit/loss for the year	0	2,461,357	6,000,000	8,461,357
Equity end of year	500,000	9,904,829	6,000,000	16,404,829

Notes

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	78,320,154	58,881,927
Pension costs	5,731,500	4,327,851
Other social security costs	785,158	468,504
Other staff costs	2,640,247	1,936,268
	87,477,059	65,614,550
Average number of full-time employees	112	88

Remuneration of management is omitted in pursuance of the Danish Financial Statements Act section 98 (b), subsection 3.

2 Other financial income

	2021 DKK	2020 DKK
Financial income from group enterprises	93,222	517,415
Exchange rate adjustments	84,429	239,390
	177,651	756,805

3 Other financial expenses

	2021 DKK	2020 DKK
Other interest expenses	50,850	50,798
Exchange rate adjustments	208,263	165,659
Other financial expenses	718	711
	259,831	217,168

4 Tax on profit/loss for the year

	2021 DKK	2020 DKK
Current tax	1,667,484	1,280,836
Change in deferred tax	748,972	685,698
Adjustment concerning previous years	22,000	(88,010)
	2,438,456	1,878,524

5 Proposed distribution of profit and loss

	2021 DKK	2020 DKK
Ordinary dividend for the financial year	6,000,000	5,780,000
Retained earnings	2,461,357	1,286,694
	8,461,357	7,066,694

6 Intangible assets

	Acquired intangible assets DKK	Acquired licences DKK
Cost beginning of year	189,379	321,326
Additions	154,735	0
Cost end of year	344,114	321,326
Amortisation and impairment losses beginning of year	(138,141)	(312,025)
Amortisation for the year	(37,611)	(4,465)
Amortisation and impairment losses end of year	(175,752)	(316,490)
Carrying amount end of year	168,362	4,836

7 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
Cost beginning of year	3,611,017	1,602,801
Additions	1,131,898	607,263
Cost end of year	4,742,915	2,210,064
Depreciation and impairment losses beginning of year	(2,693,340)	(696,414)
Depreciation for the year	(953,794)	(383,581)
Depreciation and impairment losses end of year	(3,647,134)	(1,079,995)
Carrying amount end of year	1,095,781	1,130,069

8 Financial assets

	Deposits DKK
Cost beginning of year	811,209
Additions	398,282
Cost end of year	1,209,491
Carrying amount end of year	1,209,491

9 Contract work in progress

	2021 DKK	2020 DKK
Contract work in progress	14,469,627	575,886
Progress billings regarding contract work in progress	(4,868,191)	0
Transferred to liabilities other than provisions	172,202	0
	9,773,638	575,886

10 Deferred tax

	2021 DKK	2020 DKK
Changes during the year		
Beginning of year	2,555,994	3,241,692
Recognised in the income statement	(748,972)	(685,698)
End of year	1,807,022	2,555,994

Deferred tax assets

Deferred tax is primarily relating to intangible assets and tangible assets.

11 Prepayments

Prepayments comprises prepaid costs relating to subsequent financial years such as rent, insurance etc.

12 Share capital

	Number	Par value DKK	Nominal value DKK
Shares	500	1,000	500,000
	500		500,000

The share capital is registered as DKK 500,000.

There has not been changes to the contributed capital in the last 5 years.

13 Other payables

	2021 DKK	2020 DKK
VAT and duties	2,856,586	2,139,144
Wages and salaries, personal income taxes, social security costs, etc payable	6,022,550	8,378,822
Holiday pay obligation	9,337,416	8,219,961
Other costs payable	830,575	1,449,675
	19,047,127	20,187,602

14 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.

15 Related parties with controlling interest

Controlling interest

Endeavour Invest ApS, Fredericia, Denmark, controlling shareholder (ultimate)

Monjasa Holding A/S, Fredericia, Denmark, controlling shareholder

RelateIT Holding A/S, Fredericia, Denmark, immediate controlling shareholder

Other related parties

Svend Stenberg Mølholt, Chairman of the Board and shareholder

Anders Østergaard, member of the Board and shareholder

Rasmus Ravnholdt Knudsen, member of the Board

Simon Eglin Berthelsen, Managing Director and shareholder

Carsten Andersen, Managing Partner and shareholder

Endeavour Invest ApS and related companies

16 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

17 Group relations

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

Endeavour Invest ApS, Fredericia

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 prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Cost of sales

Cost of sales comprises costs consumed in 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 write-downs 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 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. Acquired licenses are amortised on a straight-line basis over their remaining duration, and licences are amortised over the term of the agreement.

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

Property, plant and equipment

Other fixtures and fittings, tools and equipment and leasehold improvements 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.

Receivables

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

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of hours.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet in receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less on account invoiced, is positive or negative.

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 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.

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.

Cash flow statement

Cash flow statement has been omitted in pursuance of the Danish Financial Statements Act section 86, subsection 4. Cash flows are included in the Consolidated Cash Flow Statement for Monjasa Holding A/S, Business Registration No. 33 15 07 09