

MS TopCo ApS

Kongevejen 418, 2840 Holte

Company reg. no. 37 55 37 78

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 19 June 2020.

Benjamin Kramarz
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the board of directors and the managing director have presented the annual report of MS TopCo ApS for the financial year 1 January - 31 December 2019 of MS TopCo ApS.

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

We consider the accounting policies appropriate and, in our opinion, the consolidated financial statements and the financial statements provide a fair presentation of the assets, equity and liabilities, and the financial position, consolidated and for the company, respectively, at 31 December 2019, and of the result of the activities, consolidated and of the company, respectively, during the financial year 1 January – 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Holte, 19 June 2020

Managing Director

Michael Vejlgård

Board of directors

Benjamin Kramarz

Johnnie Helge Bloch Jensen

Olaf Fritjof Lind

Independent auditor's report

To the shareholders of MS TopCo ApS

Opinion

We have audited the consolidated financial statements and the financial statements of MS TopCo ApS for the financial year 1 January to 31 December 2019, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes, consolidated and of the company, respectively and consolidated statement of cash flows. The consolidated financial statements and the financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements present a fair view of the assets, equity and liabilities, and financial position, consolidated and of the company, respectively, at 31 December 2019 and of the results of the company's activities, consolidated and of the company, respectively and of consolidated cash flows, for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the consolidated financial statements and the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the consolidated financial statements and the financial statements

Management is responsible for the preparation of consolidated financial statements and financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of consolidated financial statements and financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the financial statements, management is responsible for assessing the group's and 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 unless management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated annual accounts and the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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 consolidated financial statements and financial statements.

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and 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 the 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 group's and 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 preparation of the consolidated financial statements and the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from events or conditions that may cast significant doubt on the group's and 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 consolidated financial statements and 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 group and the company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure, and contents of the consolidated financial statements and the financial statements, including disclosures in notes, and whether the consolidated financial statements and the financial statements reflect the underlying transactions and events in a manner that presents a fair view.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

In connection with our audit of the consolidated financial statements and the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the consolidated financial statements or the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management commentary is consistent with the consolidated financial statements and the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 19 June 2020

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Brian Rasmussen
State Authorised Public Accountant
mne30153

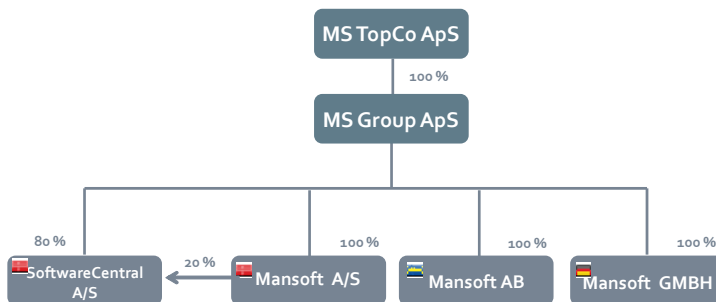
Kasper Sone Randrup
State Authorised Public Accountant
mne36175

Company information

The company	MS TopCo ApS Kongevejen 418 2840 Holte
	Company reg. no. 37 55 37 78
	Established: 21 March 2016
	Domicile: Rudersdal
	Financial year: 1 January 2019 - 31 December 2019 4th financial year
Board of directors	Benjamin Kramarz Johnnie Helge Bloch Jensen Olaf Fritjof Lind
Managing Director	Michael Vejlgård
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø
Subsidiaries	MS Group ApS, Rudersdal Mansoft A/S, Rudersdal SoftwareCentral A/S, Rudersdal Mansoft AB, Mölndal, Sverige Mansoft GmbH, Hamburg, Tyskland

Group enterprises

COMPANY STRUCTURE



Consolidated financial highlights

DKK in thousands.	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Income statement:				
Gross profit	140.991	136.876	97.922	50.199
Profit from ordinary operating activities	16.457	33.677	23.079	6.564
Net financials	-8.286	-8.481	-2.439	-1.670
Net profit or loss for the year	3.221	16.285	14.046	2.012
Statement of financial position:				
Balance sheet total	168.298	181.915	169.884	169.206
Investments in property, plant and equip-ment	0	0	78	0
Equity	57.419	62.932	51.293	40.012
Cash flows:				
Operating activities	14.845	15.802	31.797	-3.068
Investing activities	49	-117	-193	-122.956
Financing activities	-19.712	-16.427	-23.847	141.697
Total cash flows	-4.818	-741	7.757	15.673
Employees:				
Average number of full-time employees	202	171	121	101
Key figures in %:				
Acid test ratio	95,2	110,6	100,6	-
Solvency ratio	34,1	34,6	30,2	23,6
Return on equity	5,4	28,5	30,8	10,1

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts.

The financial highlights for 2016 solely comprise the period 21 March 2016 - 31 December 2016.

Management commentary

The principal activities of the group

The Group's main activity is to operate IT consultancy, primarily Microsoft infrastructure and closely related businesses.

Development in activities and financial matters

The gross loss for the year totals DKK -189.663 against DKK -122.821 last year. Income or loss from ordinary activities after tax totals DKK 3.221.369 against DKK 16.285.270 last year.

MS Topco Aps has had a reasonable growth in the underlying operating companies in the fiscal year 2019.

The development in the subsidiary, Mansoft A/S, in the fiscal year 2019, has been characterized by a reasonable growth spread across all business areas. The gross profit level is not satisfying due to a wrong mix of permanent resources, why the profits have fallen during 2019.

Mansoft AB (Sweden) has had a reasonable growth during the fiscal year 2019, both in terms of turnover, onboarding of new customers and in the number of employees. There has been a major change where we decided to run the business with a regional manager from Denmark in 2020 to optimize the balance between income and expenses.

Mansoft GmbH (Germany) is not performing as well as expected as management has decided to delay real efforts on the German market. We expect to reorganize in 2021 where we will consider the market again. Our customers will be served by the companies in Denmark so far.

During the fiscal year 2019, the Group's software business, Softwarecentral A/S, has experienced a reasonable growth in customer intake and revenue. Additional sales staff has been hired and a major graphic and technical update of the products have been initiated. In addition, investments have been made in new partnerships in the Nordic countries and Germany.

The company's management had an expectation of a result in line with the financial year 2019. Based on the current situation around Covid-19 - the company's management cannot currently comment on the financial consequences and expected results for the financial year 2020.

The number of employees is 0.

The sickness absence rate for the group is 1,45% in 2019 compared to 0,88% in 2018. The increase is due to 2 long-term sick leave and a pregnant employee in 2019.

Management commentary

Corporate Governance

VIA equity fond II K/S is a minority owner (approx. 47%) of MS TopCo ApS. (for additional information regarding VIA equity go to www.viaequity.com). VIA equity fond II K/S is thus an indirect co-owner of Mansoft A/S.

Some management members and board members, are also shareholders (approx. 53%) of MS TopCo ApS.

The board consists of:

Benjamin Kramarz (chairman); partner in VIA equity A/S; board member in:

- MS TopCo ApS (chairman)
- MS Group ApS (chairman)
- Softwarecentral A/S (chairman)
- Mansoft A/S (chairman)
- Continia TopCO ApS (chairman)
- Continia Software A/S (chairman)
- Continia MidCo ApS (chairman)
- Mæglerservice af 17/7 – 2010 A/S (chairman)
- C&B TopCo ApS (chairman)
- C&B MidCo ApS (chairman)
- C & B Systemer A/S (chairman)
- C & B Solutions A/S (chairman)
- Advania AB
- Profit Software Oy (chairman)
- Profit Holding Oy (chairman)
- Envidan A/S
- EnviHold A/S (chairman)

Benjamin Kramarz is also the managing director and 100% owner of Kramarz Holding ApS, as well as the managing director of VIA VPF GP ApS.

Johnnie Helge Bloch Jensen; board member in:

- Copenhagen Technologies A/S
- Dansk Virksomhedshandel A/S
- Business Angels Fond – London I A/S
- Match-Online A/S
- Softwarecentral A/S
- MS TopCo ApS
- MS Group ApS
- Mansoft A/S

Management commentary

Johnnie Helge Bloch Jensen is also the managing director of:

- A/S Jensen Consulting
- Jensen Estate ApS
- Corporate Capital
- Dansk Virksomhedshandel A/S
- Match Online A/S
- Hangar 2 ApS
- Copenhagen Technologies ApS
- Nordic Wing ApS

Olaf Fritjof Lind; board member in:

- Mjølner Informatics A/S
- Mjølner Holding I A/S
- Knowledge Cube A/S
- Softwarecentral A/S
- MS TopCo ApS
- MS Group ApS
- Mansoft A/S
- Uniconta A/S
- Departementschef P.O.A. Andersen og hustru Sigrid, f. Johnsens Legat

Olaf Fritjof Lind is also the managing director of:

- Reset Works
- Reset Works Consulting

Benjamin Kramarz has been appointed to the board by VIA Equity Fond II K/S. Johnnie Helge Bloch Jensen and Olaf Fritjof Lind have been appointed to the board by the General Assembly.

Risk Assessment and Risk Management

The Board of Directors and the Executive Board determine and approve overall policies, procedures and controls of important areas in the day-to-day operation of the company. The foundation for this is a clear organizational structure, clear guidelines, authorization and certification procedures and separation of persons.

The Board of Directors and the Executive Board regularly (at least annually) assess significant risks and internal controls in connection with the company's activities. On this basis, ongoing actions are evaluated and adopted to eliminate and/or reduce risks, including business and financial risks.

As part of the risk assessment, the Board of Directors and the Executive Board annually assess the risk of fraud and the measures taken to reduce and/or eliminate these risks.

Management commentary

Business and Financial Risks

The most important business risks include the ability to be strongly positioned in the markets the company operates in. It is important for the company to be at the forefront of technological development to maintain the company's market shares.

MS TopCo ApS is exposed to several financial risks, including market risks (currency and interest rate risks) as well as liquidity and financing risks.

MS TopCo ApS has a fiscal policy that sets the overall framework for financial risk management. It is the company's policy not to engage in speculation of financial risks. The company's financial policy focuses only on the management and reduction of the financial risks that are a direct consequence of the company's operations, investments and financing.

MS TopCo ApS is financed with a combination of equity and bank debt, and the management believes that the debt at group level is appropriate in relation to maintaining a reasonable financial flexibility. Thus, MS TopCo ApS, like previous years, has not been in breach of covenants or otherwise been in breach of terms of loan during the year. The management believes that the company has sufficient liquidity resources to meet its obligations as they occur.

Accounting policies

The annual report for MS TopCo ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

Changes in the accounting policies

The item “Staff costs” has been reclassified so that certain types of expenses previously recognised under “Staff costs” will, in the future, be recognised under the item “Other external charges”.

The change in classification has no effect on the net profit or loss for the year, nor on the statement of financial position, neither for the current financial year, nor the previous financial year. The comparative figures have been adjusted in accordance with the reclassification.

Except for the above, the accounting policies for the financial statements remain unchanged from last year.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Accounting policies

If the foreign group enterprises and associates meet the criteria for independent entities, their income statements are translated using an average exchange rate for the period in question and the balance sheet items are translated using the closing rate. Differences arising from translating the equity of foreign group enterprises at the beginning of the year using the closing rate are recognised directly in equity. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Translation adjustment of balances with foreign group enterprises considered part of the total investment in group enterprises are recognised directly in equity. Likewise, foreign exchange gains and losses on loans and derivatives for the currency hedging of independent foreign group enterprises are recognised directly in equity.

The consolidated financial statements

The consolidated income statements comprise the parent company MS TopCo ApS and those group enterprises of which MS TopCo ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control. According to the group overview, enterprises in which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not dominant, control are considered associates.

In the consolidation process, intercompany income and expenses, shareholding, intercompany balances and dividends, and realised and unrealised profit and loss derived from transactions among the consolidated enterprises will be eliminated.

Equity investments in group enterprises are eliminated by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists

Accounting policies

- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

Staff costs

Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members. Staff costs are less government reimbursements.

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of intangible and tangible assets, respectively.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement of the parent as a proportional share of the group enterprises' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Accounting policies

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Goodwill

Goodwill is amortised over the estimated useful life, which is determined on the basis of management's experience in the individual business areas. Goodwill is amortised on a straightline basis over the amortisation period, which is 20 years. The amortisation period is determined on the basis of an expected pay-back period, being the longer for strategical acquirees with a strong market position and an expected longterm earnings profile.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately when the useful lives of each individual components differ.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Accounting policies

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

Leases are regarded as operating leases. Payments in connection with operating leases and other lease agreements are recognised in the income statement for the term of the contract. The group's total liabilities concerning operating leases and lease agreements are recognised under contingencies, etc.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible assets as well as equity investments in subsidiaries and associates are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation, respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow derived from the use of the asset or group of assets.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investments

Equity in group enterprises

Equity in group enterprises recognised in the statement of financial position as a proportional share of the enterprise's equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Group enterprises with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Accounting policies

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

Profit or loss in connection with the disposal of group enterprises are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

For the acquisition of new group enterprises, the purchase method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and are amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategic acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

Other financial instruments and equity investments

Financial instruments and equity investments recognised under non-current assets comprise listed bonds and shares measured at fair value on the reporting date. Listed financial instruments are measured at market price.

Other unlisted financial instruments are measured at cost. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

Deposits

Deposits are measured at amortised cost and represent lease deposits, etc.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Accounting policies

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Equity

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

MS TopCo ApS is jointly taxed with the Danish group companies and acts, in this respect, as the administration company. According to the rules of joint taxation, MS TopCo ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

Deferred tax is tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.

Accounting policies

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Statement of cash flows

The statement of cash flows shows group cash flows for the year divided into cash flows derived from operating activities, investment activities, and financing activities, respectively, changes in cash and cash equivalents, and cash and cash equivalents at the beginning and end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the profit or loss for the year adjusted for noncash operating items, changes in the working capital, and income tax paid.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the share capital and associated costs. Furthermore, cash flows comprise borrowings, repayments of interest-bearing payables, and payments of dividend to the shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits less shortterm bank loans and shortterm financial instruments with a term of less than 3 months which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.

Income statement 1 January - 31 December

All amounts in DKK.

Note	Group		Parent	
	2019	2018	2019	2018
	140.990.793	136.876.150	-189.663	-122.821
	Gross profit			
1	Staff costs	-117.906.387	-96.545.008	0
	Depreciation, amortisation, and impairment	-6.626.919	-6.654.174	0
	Operating profit	16.457.487	33.676.968	-189.663
	Income from equity investments in group enterprises	0	0	11.100.087
	Other financial income	46.175	12.480	0
	Other financial costs	-8.331.699	-8.493.929	-8.126.107
	Pre-tax net profit or loss	8.171.963	25.195.519	2.784.317
2	Tax on net profit or loss for the year	-4.950.594	-8.910.249	437.052
3	Net profit or loss for the year	3.221.369	16.285.270	3.221.369

Statement of financial position at 31 December

All amounts in DKK.

Note	Group		Parent		
	2019	2018	2019	2018	
Assets					
Non-current assets					
4	Goodwill	104.932.518	111.490.800	0	0
	Total intangible assets	104.932.518	111.490.800	0	0
5	Other fixtures and fittings, tools and equipment	0	126.972	0	0
	Total property, plant, and equipment	0	126.972	0	0
6	Equity investments in group enterprises	0	0	110.905.460	134.674.449
7	Deposits	469.452	479.528	0	0
	Total investments	469.452	479.528	110.905.460	134.674.449
	Total non-current assets	105.401.970	112.097.300	110.905.460	134.674.449
Current assets					
	Trade receivables	44.420.736	46.005.309	0	0
	Receivables from group enterprises	0	0	24.261.943	0
8	Deferred tax assets	64.469	55.381	5.500	8.800
	Income tax receivables	0	63.556	0	63.556
	Tax receivables from group enterprises	0	0	5.418.072	9.433.059
	Other receivables	104.036	218.632	0	0
9	Prepayments and accrued income	493.236	626.426	0	0
	Total receivables	45.082.477	46.969.304	29.685.515	9.505.415
	Cash on hand and demand deposits	17.813.327	22.848.725	527.293	1.755.378
	Total current assets	62.895.804	69.818.029	30.212.808	11.260.793
	Total assets	168.297.774	181.915.329	141.118.268	145.935.242

Statement of financial position at 31 December

All amounts in DKK.

Note	Group		Parent	
	2019	2018	2019	2018
Equity and liabilities				
Equity				
10	2.046.406	2.046.406	2.046.406	2.046.406
	Exchange rate adjustments	28.167	-34.320	28.167
11	55.407.149	52.185.780	55.407.149	52.185.780
12	Proposed dividend for the financial year	8.671.852	0	8.671.852
	Total equity	62.932.205	57.419.235	62.932.205
Liabilities other than provisions				
13	Convertible and profit sharing debt instruments	30.862.532	31.974.602	30.862.532
	Bank loans	25.000.000	10.000.000	25.000.000
	Other payables	0	0	0
14	Total long term liabilities other than provisions	55.862.532	41.974.602	55.862.532

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		Group		Parent	
		2019	2018	2019	2018
Note					
14	Current portion of long term payables	15.000.000	15.000.000	15.000.000	15.000.000
	Bank loans	109.764	299.844	0	0
	Trade payables	4.444.529	4.338.195	79.387	65.000
	Payables to group enterprises	0	0	10.340.333	12.075.505
	Payables to shareholders and management	14.647.029	0	14.647.029	0
	Income tax payable	1.657.682	0	1.657.682	0
	Other payables	15.014.505	22.544.585	0	0
15	Accruals and deferred income	15.182.292	20.937.968	0	0
	Total short term liabilities other than provisions	66.055.801	63.120.592	41.724.431	27.140.505
	Total liabilities other than provisions	110.878.539	118.983.124	83.699.033	83.003.037
	Total equity and liabilities	168.297.774	181.915.329	141.118.268	145.935.242
16	Charges and security				
17	Contingencies				

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital not paid	Exchange rate adjustments	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2019	2.046.406	28.167	52.185.780	8.671.852	62.932.205
Distributed dividend	0	0	0	-8.671.852	-8.671.852
Profit or loss for the year brought forward	0	0	3.221.369	0	3.221.369
Exchange rate adjustments	0	-62.487	0	0	-62.487
	2.046.406	-34.320	55.407.149	0	57.419.235

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Exchange rate adjustments	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2019	2.046.406	28.167	52.185.780	8.671.852	62.932.205
Distributed dividend	0	0	0	-8.671.852	-8.671.852
Profit or loss for the year brought forward	0	0	3.221.369	0	3.221.369
Exchange rate adjustments	0	-62.487	0	0	-62.487
	2.046.406	-34.320	55.407.149	0	57.419.235

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note	Group	
	2019	2018
Net profit or loss for the year	3.221.369	16.285.270
18 Adjustments	19.820.034	24.023.290
19 Change in working capital	3.299.965	-8.965.532
Cash flows from operating activities before net financials	26.341.368	31.343.028
Interest received, etc.	1	1.909
Interest paid, etc.	-8.257.852	-8.452.723
Cash flows from ordinary activities	18.083.517	22.892.214
Income tax paid	-3.238.444	-7.089.836
Cash flows from operating activities	14.845.073	15.802.378
Sale of property, plant, and equipment	92.498	0
Purchase of fixed asset investments	-43.569	-116.620
Cash flows from investment activities	48.929	-116.620
Long-term payables incurred	3.960.206	3.213.326
Repayments of long-term payables	-15.000.000	-15.000.000
Cash capital increase	0	1.000.000
Dividend paid	-8.671.852	-5.640.063
Cash flows from investment activities	-19.711.646	-16.426.737
Change in cash and cash equivalents	-4.817.644	-740.979
Cash and cash equivalents at 1 January 2019	22.548.881	23.320.496
Foreign currency translation adjustments (cash and cash equivalents)	-27.674	-30.636
Cash and cash equivalents at 31 December 2019	17.703.563	22.548.881
Cash and cash equivalents		
Cash on hand and demand deposits	17.813.327	22.848.725
Short-term bank loans	-109.764	-299.844
Cash and cash equivalents at 31 December 2019	17.703.563	22.548.881

Notes

All amounts in DKK.

	Group		Parent	
	2019	2018	2019	2018
1. Staff costs				
Salaries and wages	110.318.897	90.763.551	0	0
Pension costs	6.108.139	4.581.969	0	0
Other costs for social security	1.479.351	1.199.488	0	0
	117.906.387	96.545.008	0	0
Executive board	5.163.564	1.852.776	0	0
Board of directors	65.000	95.000	0	0
	5.228.564	1.947.776	0	0
Average number of employees	202	171	0	0
2. Tax on net profit or loss for the year				
Tax of the results for the year, parent company	4.977.720	8.936.444	-440.352	-496.615
Adjustment for the year of deferred tax	-9.088	-26.195	3.300	3.300
Adjustment of tax for previous years	-18.038	0	0	0
	4.950.594	8.910.249	-437.052	-493.315
3. Proposed appropriation of net profit				
Extraordinary dividend adopted during the financial year			0	5.640.063
Dividend for the financial year			0	8.671.852
Transferred to retained earnings			3.221.369	1.973.355
Allocated from retained earnings			0	0
Total allocations and transfers			3.221.369	16.285.270

Notes

All amounts in DKK.

	Group		Parent	
	31/12 2019	31/12 2018	31/12 2019	31/12 2018
4. Goodwill				
Cost 1 January 2019	131.165.648	131.165.648	0	0
Cost 31 December 2019	131.165.648	131.165.648	0	0
Amortisation and writedown 1 January 2019	-19.674.848	-13.116.566	0	0
Amortisation for the year	-6.558.282	-6.558.282	0	0
Amortisation and writedown 31 December 2019	-26.233.130	-19.674.848	0	0
Carrying amount, 31 December 2019	104.932.518	111.490.800	0	0
5. Other fixtures and fittings, tools and equipment				
Cost 1 January 2019	427.670	427.670	0	0
Disposals during the year	-350.000	0	0	0
Cost 31 December 2019	77.670	427.670	0	0
Depreciation and writedown 1 January 2019	-300.698	-204.806	0	0
Depreciation for the year	-68.639	-95.892	0	0
Reversal of depreciation, amortisation and writedown, assets disposed of	291.667	0	0	0
Depreciation and writedown 31 December 2019	-77.670	-300.698	0	0
Carrying amount, 31 December 2019	0	126.972	0	0

Notes

All amounts in DKK.

	Group		Parent	
	31/12 2019	31/12 2018	31/12 2019	31/12 2018
6. Equity investments in group enterprises				
Acquisition sum, opening balance 1 January 2019	0	0	140.000.000	140.000.000
Cost 31 December 2019	0	0	140.000.000	140.000.000
Revaluations, opening balance 1 January 2019	0	0	-5.325.551	-4.773.932
Translation by use of the exchange rate valid on balance sheet date	0	0	-62.487	-5.922
Results for the year before goodwill amortisation	0	0	11.100.087	24.249.826
Dividend	0	0	-34.806.589	-24.795.523
Revaluation 31 December 2019	0	0	-29.094.540	-5.325.551
Carrying amount, 31 December 2019	0	0	110.905.460	134.674.449

Group enterprises:

	Domicile	Equity interest
MS Group ApS	Rudersdal	100 %
Mansoft A/S	Rudersdal	*
SoftwareCentral A/S	Rudersdal	*
Mansoft AB	Möln dal, Sverige	*
Mansoft GmbH	Hamburg, Tyskland	*

* via MS Group ApS

Notes

All amounts in DKK.

	Group		Parent	
	31/12 2019	31/12 2018	31/12 2019	31/12 2018
7. Deposits				
Cost 1 January 2019	479.528	362.908	0	0
Additions during the year	43.569	116.620	0	0
Disposals during the year	-53.645	0	0	0
Cost 31 December 2019	469.452	479.528	0	0
Carrying amount, 31 December 2019	469.452	479.528	0	0
8. Deferred tax assets				
Deferred tax assets relate to tangible fixed assets and prepaid expenses.				
9. Prepayments and accrued income				
Accrued income and deferred expenses consists of prepaid expenses.				
10. Contributed capital				
Contributed capital 1 January 2019	2.046.406	2.026.849	2.046.406	2.026.849
Cash capital increase	0	19.557	0	19.557
	2.046.406	2.046.406	2.046.406	2.046.406

The share capital consists of 970.852 A shares and 1.075.554 B shares, each with a nominal value of DKK 1.

Notes

All amounts in DKK.

	Group		Parent	
	31/12 2019	31/12 2018	31/12 2019	31/12 2018
11. Retained earnings				
Retained earnings 1 January 2019	52.185.780	49.231.982	52.185.780	49.231.982
Profit or loss for the year brought forward	3.221.369	1.973.355	3.221.369	1.973.355
Extraordinary dividend adopted during the financial year	0	5.640.063	0	5.640.063
Distributed extraordinary dividend adopted during the financial year.	0	-5.640.063	0	-5.640.063
Transferred from share premium	0	980.443	0	980.443
	55.407.149	52.185.780	55.407.149	52.185.780
12. Proposed dividend for the financial year				
Dividend 1 January 2019	8.671.852	0	8.671.852	0
Distributed dividend	-8.671.852	0	-8.671.852	0
Dividend for the financial year	0	8.671.852	0	8.671.852
	0	8.671.852	0	8.671.852
13. Convertible and profit sharing debt instruments				

Upon conversion, the loan entitles the holder to receive nominally 1.493.333 A shares of DKK 1. The loan is due for payment on December 31, 2025.

The loan is ranked as subordinated loan capital and stands behind other creditors in the company.

Notes

All amounts in DKK.

14. Liabilities other than provision

Group	Total payables 31 Dec 2019	Current portion of long term payables	Long term payables 31 Dec 2019	Outstanding payables after 5 years
Convertible and profit sharing debt instruments	31.974.602	0	31.974.602	31.974.602
Bank loans	25.000.000	15.000.000	10.000.000	0
Other payables	2.848.136	0	2.848.136	2.848.136
	59.822.738	15.000.000	44.822.738	34.822.738
Parent				
Convertible and profit sharing debt instruments	31.974.602	0	31.974.602	31.974.602
Bank loans	25.000.000	15.000.000	10.000.000	0
	56.974.602	15.000.000	41.974.602	31.974.602

15. Accruals and deferred income

Prepayments under liabilities consist of payments received from customers, which can be recognized in subsequent financial years.

16. Charges and security

For bank debts, tDKK 25.000, the company has provided security in equity investments in group enterprises representing a book value of tDKK 110.905 at 31 December 2019.

17. Contingencies

Contingent liabilities

	DKK in thousands
Lease liabilities	1.486
Total contingent liabilities	1.486

Notes

All amounts in DKK.

17. Contingencies (continued)

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

	Group	
	2019	2018
	<u> </u>	<u> </u>
18. Adjustments		
Depreciation, amortisation, and impairment	6.626.921	6.654.174
Profit from disposal of non-current assets	-34.165	0
Other financial income	-46.175	-12.480
Other financial costs	8.331.699	8.493.929
Tax on net profit or loss for the year	4.950.594	8.910.249
Other adjustments	-8.840	-22.582
	<u>19.820.034</u>	<u>24.023.290</u>
19. Change in working capital		
Change in receivables	1.832.359	-20.992.853
Change in trade payables and other payables	1.467.606	12.027.321
	<u>3.299.965</u>	<u>-8.965.532</u>

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Olaf Fritjof Lind

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Michael Vejlgård

Direktør

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Benjamin Kramarz

Bestyrelsesmedlem

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