



Pento ApS

Højbro Plads 10, 2.
1200 København K
CVR No. 37959383

Annual report 2019

The Annual General Meeting adopted the
annual report on 17.06.2020

Jonas Bøgh Larsen

Chairman of the General Meeting

Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2019	8
Balance sheet at 31.12.2019	9
Statement of changes in equity for 2019	11
Notes	12
Accounting policies	15

Entity details

Entity

Pento ApS

Højbro Plads 10, 2.

1200 København K

CVR No.: 37959383

Registered office: København

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

Jonas Bøgh Larsen, chairman of the board

Peter Emil Hagbarth Rasmussen

Christoph Janz

Executive Board

Peter Emil Hagbarth Rasmussen, director

Jonas Bøgh Larsen, director

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 Pento ApS 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, 17.06.2020

Executive Board

Peter Emil Hagbarth Rasmussen
director

Jonas Bøgh Larsen
director

Board of Directors

Jonas Bøgh Larsen
chairman of the board

Peter Emil Hagbarth Rasmussen

Christoph Janz

Independent auditor's report

To the shareholders of Pento ApS

Opinion

We have audited the financial statements of Pento ApS 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, 17.06.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant
Identification No (MNE) mne33712

Management commentary

Primary activities

The Company's primary activity is selling cloud based salary system software and also related business.

Description of material changes in activities and finances

Net loss for the year is TDKK 3,029, and equity is TDKK 18.182 at 31.12.2019 and is considered as expected.

The company expects increased activity growth in 2020, with increase in both gross margin and total net cash flow from operations.

Events after the balance sheet date

At the date of the Annual report 2019, the COVID-19 virus has set it's marks throughout the whole world. Management expects that the lockdown in Denmark and other countries will have a negative economic impact on the core markets. Management expects that the results for 2020 will be affected, due to fewer incoming orders than expected before the Coronavirus occurred. However, management expects that Pento ApS will still be able to continue business, but with lower speed than the initial plan

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		(553,265)	(113,691)
Staff costs	2	(1,277,974)	(746,655)
Depreciation, amortisation and impairment losses	3	(1,229,727)	(645,067)
Operating profit/loss		(3,060,966)	(1,505,413)
Income from investments in group enterprises		(194,605)	0
Other financial income	4	775	385
Other financial expenses	5	(149,759)	(11,809)
Profit/loss before tax		(3,404,555)	(1,516,837)
Tax on profit/loss for the year	6	375,986	326,112
Profit/loss for the year		(3,028,569)	(1,190,725)
Proposed distribution of profit and loss			
Retained earnings		(3,028,569)	(1,190,725)
Proposed distribution of profit and loss		(3,028,569)	(1,190,725)

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Completed development projects	8	4,509,690	2,808,264
Development projects in progress	8	0	200,000
Intangible assets	7	4,509,690	3,008,264
Investments in group enterprises		0	0
Deposits		6,697	71,850
Other financial assets	9	6,697	71,850
Fixed assets		4,516,387	3,080,114
Trade receivables		2,342	43,846
Other receivables		40,984	1,654,024
Income tax receivable		0	477,222
Prepayments		65,000	14,500
Receivables		108,326	2,189,592
Cash		14,483,790	1,309,661
Current assets		14,592,116	3,499,253
Assets		19,108,503	6,579,367

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital		100,348	66,216
Reserve for development expenditure		3,517,558	2,346,446
Retained earnings		14,563,960	177,803
Equity		18,181,866	2,590,465
Deferred tax		0	375,986
Provisions		0	375,986
Convertible and dividend-yielding debt instruments		0	2,847,469
Other payables		70,513	0
Non-current liabilities other than provisions	10	70,513	2,847,469
Bank loans		18,647	43,607
Prepayments received from customers		64,860	0
Trade payables		152,927	41,212
Other payables		310,000	257,421
Deferred income		309,690	423,207
Current liabilities other than provisions		856,124	765,447
Liabilities other than provisions		926,637	3,612,916
Equity and liabilities		19,108,503	6,579,367
Events after the balance sheet date	1		
Unrecognised rental and lease commitments	11		
Assets charged and collateral	12		

Statement of changes in equity for 2019

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	66,216	0	2,346,446	177,803	2,590,465
Increase of capital	34,132	18,585,838	0	0	18,619,970
Transferred from share premium	0	(18,585,838)	0	18,585,838	0
Transfer to reserves	0	0	1,171,112	(1,171,112)	0
Profit/loss for the year	0	0	0	(3,028,569)	(3,028,569)
Equity end of year	100,348	0	3,517,558	14,563,960	18,181,866

For the purpose of offering incentive pay in the form of share options, the Company's Board of Directors are authorised for the period until 2 September 2024 once or several times to increase the Company's share capital with up to nominally 11.257,39 shares in total without pre-emption right for the Company's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

Notes

1 Events after the balance sheet date

At the date of the Annual report 2019, the COVID-19 virus has set its marks throughout the whole world. Management expects that the lockdown in Denmark and other countries will have a negative economic impact on the core markets. Management expects that the results for 2020 will be affected, due to fewer incoming orders than expected before the Coronavirus occurred. However, management expects that Pento ApS will still be able to continue business, but with lower speed than the initial plan

2 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	2,103,431	1,523,253
Other social security costs	51,033	11,235
Other staff costs	63,314	57,357
	2,217,778	1,591,845
Staff costs classified as assets	(939,804)	(845,190)
	1,277,974	746,655
Average number of full-time employees	5	5

3 Depreciation, amortisation and impairment losses

	2019 DKK	2018 DKK
Amortisation of intangible assets	1,229,727	645,067
	1,229,727	645,067

4 Other financial income

	2019 DKK	2018 DKK
Financial income from group enterprises	614	0
Exchange rate adjustments	161	385
	775	385

5 Other financial expenses

	2019 DKK	2018 DKK
Other interest expenses	146,172	9,661
Exchange rate adjustments	3,587	2,148
	149,759	11,809

6 Tax on profit/loss for the year

	2019 DKK	2018 DKK
Current tax	0	(477,222)
Change in deferred tax	(375,986)	151,110
	(375,986)	(326,112)

7 Intangible assets

	Completed development projects DKK	Development projects in progress DKK
Cost beginning of year	3,453,331	200,000
Transfers	200,000	(200,000)
Additions	2,731,153	0
Cost end of year	6,384,484	0
Amortisation and impairment losses beginning of year	(645,067)	0
Amortisation for the year	(1,229,727)	0
Amortisation and impairment losses end of year	(1,874,794)	0
Carrying amount end of year	4,509,690	0

8 Development projects

Completed development projects relates to the Company's cloud based salary system which the Company uses in its operations. The salary system is used by the Company's customers. The salary system is continuously further developed by the Company.

With reference to the Danish Act of Commercial Enterprises' Presentation of Financial Statements §83 (2), the deferred tax is deducted to the activated cost of development.

9 Financial assets

	Investments in group enterprises DKK	Deposits DKK
Cost beginning of year	0	71,850
Additions	9	0
Disposals	0	(65,153)
Cost end of year	9	6,697
Impairment losses for the year	(9)	0
Impairment losses end of year	(9)	0
Carrying amount end of year	0	6,697

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Pento Services Limited	England	Ltd.	100

10 Non-current liabilities other than provisions

	Due after more than 12 months 2019 DKK
Other payables	70,513
	70,513

There are no long-term liabilities that are due five years after the balance sheet date.

11 Unrecognised rental and lease commitments

	2019 DKK	2018 DKK
Liabilities under rental or lease agreements until maturity in total	58,262	52,500

12 Assets charged and collateral

There are no mortgages or assets charged as collateral.

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.

Foreign currency translation

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

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates and out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries, which are considered part of the total investment in the subsidiary in question, are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate at the time of acquisition or the time of any subsequent revaluation or writedown. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, 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.

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 intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises dividends etc received from the individual group enterprises in the financial year.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises and payables and transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses, including payables and transactions in foreign currencies, 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.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

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

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 4 years.

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

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments 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.

Income tax payable or receivable

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

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.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.