

Allgeier Enterprise Services Denmark A/S

Søndre Ringvej 55
2605 Brøndby
Business Registration No
38450522

Annual report 28.02.2017 - 31.12.2017

The Annual General Meeting adopted the annual report on 31.05.2018

Chairman of the General Meeting

Name: Bjarne Gammelgaard Møberg

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Entity details

Entity

Allgeier Enterprise Services Denmark A/S
Søndre Ringvej 55
2605 Brøndby

Central Business Registration No (CVR): 38450522

Registered in: Brøndby

Financial year: 28.02.2017 - 31.12.2017

Board of Directors

Jörg Werner Dietmann, Chairman

Michael Schmidt

Bjarne Gammelgaard Møberg

Executive Board

Bjarne Gammelgaard Møberg

Ole Sølvsten Hemmingsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Allgeier Enterprise Services Denmark A/S for the financial year 28.02.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 28.02.2017 - 31.12.2017.

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.

Brøndby, 31.05.2018

Executive Board

Bjarne Gammelgaard Møberg Ole Sølvsten Hemmingsen

Board of Directors

Jörg Werner Dietmann
Chairman

Michael Schmidt

Bjarne Gammelgaard Møberg

Independent auditor's report

To the shareholders of Allgeier Enterprise Services Denmark A/S

Opinion

We have audited the financial statements of Allgeier Enterprise Services Denmark A/S for the financial year 28.02.2017 - 31.12.2017, 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 31.12.2017 and of the results of its operations for the financial year 28.02.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 31.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Thomas Hermann
State Authorised Public Accountant
Identification No (MNE) mne26740

Management commentary

Primary activities

The Company's primary activities comprise providing services within electronic data processing.

Development in activities and finances

Allgeier Enterprise Services A/S started operations 1st of May 2017 with an asset acquisition. The focus in 2017 have been to establish the organisation within the Allgeier Group and to implement a new Business Strategy focusing on the innovative solutions SAP Hybris & Retail, SAP S/4HANA Public Cloud, S/4HANA Innovations and ComplianceNow.

The Business model of Allgeier Enterprise Services A/S is built on Allgeier Group assets and strategic alliances with renowned partners on the markets we are addressing. This includes an international partnership with one of the Big Four accounting firms who is recommending our ComplianceNow products to their clients and a partnership with SAP Denmark.

The result for 2017 was in line with the expectations and reflects the necessary investments in rebranding our services and products in Denmark.

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 2017

	<u>Notes</u>	<u>2017</u> <u>DKK</u>
Gross profit		13.181.642
Staff costs	1	(13.938.702)
Depreciation, amortisation and impairment losses		<u>(790.094)</u>
Operating profit/loss		(1.547.154)
Other financial income		30.134
Financial expenses from group enterprises		(48.200)
Other financial expenses		<u>(57.486)</u>
Profit/loss before tax		(1.622.706)
Tax on profit/loss for the year	2	<u>356.000</u>
Profit/loss for the year		<u>(1.266.706)</u>
Proposed distribution of profit/loss		
Retained earnings		<u>(1.266.706)</u>
		<u>(1.266.706)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>
Completed development projects		4.424.901
Intangible assets	3	<u>4.424.901</u>
Other fixtures and fittings, tools and equipment		181.752
Leasehold improvements		215.538
Property, plant and equipment	4	<u>397.290</u>
Deposits		205.360
Fixed asset investments	5	<u>205.360</u>
Fixed assets		<u>5.027.551</u>
Trade receivables		6.002.540
Receivables from group enterprises		285.289
Deferred tax	6	356.000
Other receivables		87.376
Prepayments		43.514
Receivables		<u>6.774.719</u>
Cash		<u>1.392.300</u>
Current assets		<u>8.167.019</u>
Assets		<u>13.194.570</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK</u>
Contributed capital		500.000
Retained earnings		<u>(1.266.706)</u>
Equity		<u>(766.706)</u>
Trade payables		1.231.247
Payables to group enterprises		3.314.541
Other payables		8.083.345
Deferred income		<u>1.332.143</u>
Current liabilities other than provisions		<u>13.961.276</u>
Liabilities other than provisions		<u>13.961.276</u>
Equity and liabilities		<u>13.194.570</u>
Unrecognised rental and lease commitments	7	

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Contributed upon formation	500.000	0	500.000
Profit/loss for the year	<u>0</u>	<u>(1.266.706)</u>	<u>(1.266.706)</u>
Equity end of year	<u>500.000</u>	<u>(1.266.706)</u>	<u>(766.706)</u>

Notes

	2017
	DKK
	<hr/>
1. Staff costs	
Wages and salaries	12.601.124
Pension costs	1.126.008
Other social security costs	29.037
Other staff costs	182.533
	<hr/> 13.938.702 <hr/>
Average number of employees	<hr/> 22 <hr/>
	2017
	DKK
	<hr/>
2. Tax on profit/loss for the year	
Change in deferred tax	(356.000)
	<hr/> (356.000) <hr/>
	Completed
	develop-
	ment
	projects
	DKK
	<hr/>
3. Intangible assets	
Additions	5.049.878
Cost end of year	<hr/> 5.049.878 <hr/>
Amortisation for the year	(624.977)
Amortisation and impairment losses end of year	<hr/> (624.977) <hr/>
Carrying amount end of year	<hr/> 4.424.901 <hr/>

Notes

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
4. Property, plant and equipment		
Additions	252.513	257.934
Cost end of year	252.513	257.934
Depreciation for the year	(70.761)	(42.396)
Depreciation and impairment losses end of year	(70.761)	(42.396)
Carrying amount end of year	181.752	215.538
		Deposits DKK
5. Fixed asset investments		
Additions		205.360
Cost end of year		205.360
Carrying amount end of year		205.360
		2017 DKK
6. Deferred tax		
Intangible assets		(33.000)
Property, plant and equipment		(8.000)
Tax losses carried forward		397.000
		356.000
Changes during the year		
Recognised in the income statement		356.000
End of year		356.000

Notes

	2017
	<u>DKK</u>
7. Unrecognised rental and lease commitments	
Liabilities under rental or lease agreements until maturity in total	<u>925.200</u>

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.

This is the first financial year of the Company.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

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

Cost of sales

Cost of sales comprises goods 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 writedowns of receivables recognised in current assets.

Staff costs

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

Depreciation, amortisation and impairment losses

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

Other financial income

Other financial income comprises interest income, including interest income on payables and transactions in foreign currencies as well as tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Accounting policies

Other financial expenses

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

Tax on profit/loss for the year

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

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 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.

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 5 years.

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	1-5 years
Leasehold improvements	1-5 years

Accounting policies

For leasehold improvements and assets subject to finance leases, 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.

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.

Other financial liabilities

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

Deferred income

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