

New Dawn Holding ApS

Engholm Parkvej 8
3450 Allerød

CVR no. 39 34 18 59

**Annual report for the period 16 February 2018 – 31 May
2019**

The annual report was presented and approved at the
Company's annual general meeting on

14 November 2019

Peter Granild Colsted
chairman

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New Dawn Holding ApS
Annual report 2018/19
CVR no. 39 34 18 59

Statement by the Board of Directors

The Board of Directors have today discussed and approved the annual report of New Dawn Holding ApS for the financial period 16 February 2018 – 31 May 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 May 2019 and of the results of the Company's operations for the financial period 16 February 2018 – 31 May 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Allerød, 14 November 2019
Board of Directors:

Efrain Rivera
Chairman

Stephanie Lynn Schaeffer

Independent auditor's report

To the shareholders of New Dawn Holding ApS

Opinion

We have audited the financial statements of New Dawn Holding ApS for the financial period 16 February 2018 – 31 May 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 May 2019 and of the results of the Company's operations for the financial period 16 February 2018 – 31 May 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 the 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 our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 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 in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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



Independent auditor's report

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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 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 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review 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's review.

Copenhagen, 14 November 2019

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik O. Larsen
State Authorised
Public Accountant
mne15839

New Dawn Holding ApS
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CVR no. 39 34 18 59

Management's review

Company details

New Dawn Holding ApS
Engholm Parkvej 8
3450 Allerød

CVR no.:	39 34 18 59
Established:	16 February 2018
Registered office:	Allerød
Financial period:	16 February 2018 – 31 May 2019

Board of Directors

Efrain Rivera, Chairman
Stephanie Lynn Schaeffer

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen

Management's review

Operating review

Principal activities

The company is a holding company for a group of companies that develop, market and support software and systems for the development and management of human resources and payroll. The Group's products are mainly sold in Denmark and Germany.

Special risks

The Group is not exposed to any special risks.

Environmental matters

The group's products do not have a negative environmental impact. The group has an environmentally friendly office building in Allerød with rainwater collection and geothermal heat.

Outlook for the coming year

The Group expects activity growth and a revenue of approximately DKK 210 million in the new financial year.

Research and development activities

During the financial year the company conducted development activities for existing and new products. Costs associated with development activities are recognized directly in the income statement and expensed.

Intellectual capital

It is important that the group has the necessary intellectual capital resources. Importance is placed by management on attracting, developing and maintaining qualified employees.

Events after the balance sheet date

There have been no events after the balance sheet date that has a significant impact on the assessment of the annual report.

Financial statements 16 February 2018 – 31 May 2019

Income statement

DKK'000	Note	16/2 2018- 31/5 2019
Other external costs		<u>-18</u>
Gross profit/loss		<u>-18</u>
Operating profit/loss		-18
Income from equity investments in group entities		<u>-6,555</u>
Profit/loss before tax		-6,573
Tax on profit/loss for the year		<u>4</u>
Profit/loss for the year		<u><u>-6,569</u></u>
Proposed profit appropriation/distribution of loss		
Retained earnings		<u>-6,569</u>
		<u><u>-6,569</u></u>

Financial statements 16 February 2018 – 31 May 2019

Balance sheet

DKK'000	Note	16/2 2018- 31/5 2019
ASSETS		
Fixed assets		
Investments		
Equity investments in group entities		<u>1,060,848</u>
Total fixed assets		<u>1,060,848</u>
Current assets		
Receivables		
Deferred tax asset		<u>4</u>
Cash at bank and in hand		<u>50</u>
Total current assets		<u>54</u>
TOTAL ASSETS		<u><u>1,060,902</u></u>
EQUITY AND LIABILITIES		
Equity		
Contributed capital		1,010
Share premium		1,066,443
Retained earnings		<u>-6,569</u>
Total equity		<u>1,060,884</u>
Liabilities		
Current liabilities		
Deferred income		<u>18</u>
Total liabilities		<u>18</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,060,902</u></u>
Contractual obligations, contingencies, etc.	2	
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Financial statements 16 February 2018 – 31 May 2019

Statement of changes in equity

DKK'000	<u>Contributed capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 16 February 2018	1,010	1,066,443	0	1,067,453
Transferred over the distribution of loss	<u>0</u>	<u>0</u>	<u>-6,569</u>	<u>-6,569</u>
Equity at 31 May 2019	<u><u>1,010</u></u>	<u><u>1,066,443</u></u>	<u><u>-6,569</u></u>	<u><u>1,060,884</u></u>

Financial statements 16 February 2018 – 31 May 2019

Notes

1 Accounting policies

The annual report of New Dawn Holding ApS for 2018/19 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of New Dawn Holding ApS and group entities are included in the consolidated financial statements of Paycheck Inc, 911 Panorama Trail South, Rochester, New York.

Income statement

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Income from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 16 February 2018 – 31 May 2019

Notes

1 Accounting policies (continued)

Balance sheet

Equity investments in group entities

Equity investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in group entities is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from group entities expected to be adopted in the group entities prior to the approval of the Company's annual report, are not tied up in the revaluation reserve.

Receivables

Receivables are measured at amortised cost.

Cash at bank and in hand

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Financial statements 16 February 2018 – 31 May 2019

Notes

1 Accounting policies (continued)

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

2 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends etc. may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

3 Related party disclosures

New Dawn Holding ApS' related parties comprise the following:

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the contributed capital:

Paycheck Inc, 911 Panorama Trail South, Rochester, New York 14625-2396