
Merittian Denmark ApS

c/o Regus, Havnegade 39, DK-1058 København K

Annual Report for 1 January - 31 December 2019

CVR No 39 37 35 48

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
17/8 2020

Holger Thorup
Chairman of the General
Meeting



pwc

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Practitioner's Statement on Compilation of Financial Statements	2
Company Information	
Company Information	3
Management's Review	4
Financial Statements	
Income Statement 1 January - 31 December 2019	5
Balance Sheet 31 December 2019	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Merittian Denmark ApS for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act. The Company complies with the exemption provisions governing the omission to have its Financial Statements audited.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 17 August 2020

Executive Board

Martin Tromp Permin
CEO

Holger Johannes Thorup
Executive Officer

Practitioner's Statement on Compilation of Financial Statements

To the Management of Merittian Denmark ApS

We have compiled the Financial Statements of Merittian Denmark ApS for the financial year 1 January - 31 December 2019 on the basis of the Enterprise's accounting records and other information you have provided.

The Financial Statements comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies.

We performed our work in accordance with ISRS 4410, Engagements to Compile Financial Information.

Based on our professional expertise, we have assisted you with the preparation and presentation of the Financial Statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms and FSR – Danish Auditors' Code of Ethics, including the principles of integrity, objectivity, professional competence and due care.

The Financial Statements and the accuracy and completeness of the information forming the basis of the compilation of the Financial Statements are your responsibility.

As an engagement to compile financial information is not an assurance engagement, we are under no duty to verify the accuracy or completeness of the information you provided to us to compile the Financial Statements. Accordingly, we express no audit opinion or review opinion as to whether the Financial Statements have been prepared in accordance with the Danish Financial Statements Act.

Ringsted, 17 August 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Martin Enderberg Lassen

statsautoriseret revisor

mne40044

Company Information

The Company

Merittian Denmark ApS
c/o Regus, Havnegade 39
DK-1058 København K

CVR No: 39 37 35 48
Financial period: 1 January - 31 December
Incorporated: 19 February 2018
Financial year: 2nd financial year
Municipality of reg. office: København

Executive Board

Martin Tromp Permin
Holger Johannes Thorup

Practitioner

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Eventyrvej 16
DK-4100 Ringsted

Management's Review

Key activities

The Company's main activity is related to the recruitment business and other recruitment related activities.

In 2019, management has slowed down the company's recruiting activity to allocate more resources for software development to Merittian Inc., to reflect the parent company's pivoting away from recruitment and toward building a mentoring platform.

Development in the year

The income statement of the Company for 2019 shows a profit of DKK 123,455, and at 31 December 2019 the balance sheet of the Company shows negative equity of DKK 48,711.

Capital resources

Management has noticed that the company's equity remains negative. It is Management's opinion, that the Company's via increase in activity and improved operating profits will restore equity and meet current liabilities. The Company has received a letter of support from Merittian Inc. until 31 December 2020, in order that the Company's liabilities may be met as they fall due. Based on this, the Financial Statements have been prepared under a going concern assumption.

Subsequent events

It is management's assessment that the current situation, in relation to the virus outbreak of COVID-19, does not significantly affect the company's activities and operations in 2020. Management continuously monitors the situation.

Income Statement 1 January - 31 December 2019

	Note	2019 DKK	2018 DKK
Gross profit/loss		1.109.632	-15.898
Staff expenses	2	-989.450	-203.321
Profit/loss before financial income and expenses		120.182	-219.219
Financial income		4.427	0
Financial expenses		-1.154	-2.947
Profit/loss before tax		123.455	-222.166
Tax on profit/loss for the year		0	0
Net profit/loss for the year		123.455	-222.166

Distribution of profit

Proposed distribution of profit

Retained earnings		123.455	-222.166
		123.455	-222.166

Balance Sheet 31 December 2019

	Note	2019 DKK	2018 DKK
Assets			
Trade receivables		17.125	0
Prepayments		2.625	2.625
Receivables		19.750	2.625
Cash at bank and in hand		73.784	43.845
Currents assets		93.534	46.470
Assets		93.534	46.470
Liabilities and equity			
Share capital		50.000	50.000
Retained earnings		-98.711	-222.166
Equity		-48.711	-172.166
Other payables		37.178	0
Long-term debt	3	37.178	0
Payables to group enterprises		23.414	188.655
Other payables	3	81.653	29.981
Short-term debt		105.067	218.636
Debt		142.245	218.636
Liabilities and equity		93.534	46.470
Going concern	1		
Contingent assets, liabilities and other financial obligations	4		
Accounting Policies	5		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January 2019	50.000	-222.166	-172.166
Net profit/loss for the year	0	123.455	123.455
Equity at 31 December 2019	50.000	-98.711	-48.711

Notes to the Financial Statements

1 Going concern

Management has noticed that the company's equity remains negative. It is Management's opinion, that the Company via increase in activity and improved operating profits will restore equity and meet current liabilities. The Company has received a letter of support from Merittian Inc. until 31 December 2020, in order that the Company's liabilities may be met as they fall due. Based on this, the Financial Statements have been prepared under a going concern assumption.

	2019 DKK	2018 DKK
2 Staff expenses		
Wages and salaries	950.644	200.170
Other social security expenses	8.047	1.515
Other staff expenses	30.759	1.636
	989.450	203.321
Average number of employees	3	1

3 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Other payables

Between 1 and 5 years	37.178	0
Long-term part	37.178	0
Other short-term payables	81.653	29.981
	118.831	29.981

4 Contingent assets, liabilities and other financial obligations

There are no collateral and contingent liabilities per December 31, 2019.

Notes to the Financial Statements

5 Accounting Policies

The Annual Report of Merittian Denmark ApS for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

5 Accounting Policies (continued)

Income Statement

Revenue

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Notes to the Financial Statements

5 Accounting Policies (continued)

Balance Sheet

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.