

FINANCIAL YEAR 29

2015

ANNUAL REPORT


EXERP APS

COPENHAGEN

CVR NO. 10 50 11 48

Approved at the annual general meeting of shareholders

Copenhagen ^{25/2} 2016



Martin Lohse

Chairman

exerp®

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Statement by management on the annual report

Today, the Executive and Supervisory Boards have discussed and approved the annual report of Exerp ApS for the financial year 1 January - 31 December 2015.

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

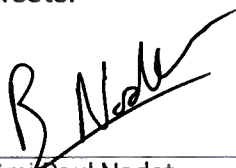
In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015.

In our opinion, Management's Review includes a fair review of the matters dealt with in the Management's review

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 25 February 2016

Director



Rémi Paul Nodet
CEO

Supervisory board:



Rolf Bjarne Thaisen Hansen



Martin Lohse



Jacob Vang Wiberg

Independent auditor's reports

To the shareholders of Exerp ApS

Report on financial statements

We have audited the financial statements of Exerp ApS for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the financial statement give a true and fair view of the company's financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Brøndby, 25 February 2016

ALBJERG

Statsautoriseret Revisionspartnerselskab

CVR no. 35 38 28 79



Tommy Nørskov

Statsautoriseret revisor

Company details

| | |
|--------------------------|---|
| The company | <p>Exerp ApS Kalvebod Brygge 24, 2. Sal 1560 Copenhagen V</p> <p>CVR No.: 10 50 11 48 Financial year: 1 January – 31 December Founded: 1 September 1986 Home: Copenhagen</p> |
| Supervisory board | <p>Rolf Bjarne Thaisen Hansen Martin Lohse Jacob Vang Wiberg</p> |
| Director | <p>Rémi Paul Nodet, CEO</p> |
| Auditors | <p>ALBJERG, Statsautoriseret Revisionspartnerselskab Ringager 4C, 2.th., 2605 Brøndby, Denmark Telefon +45 38 28 42 84</p> |

Management's review

The company's core activities

The core activities consist of development, sale and support of IT software for operation of fitness centers.

Business review

The company has over the years been in a positive trend of steady growth and strong demand. The trend continued in 2015 with growth among existing customers and increasing international demand. Exerp has been following its clients in their international expansion or rollouts in Italy, Poland and Germany.

Exerp continued investing in its software platform and delivered a range of new optional features: a BI solution with industry global leader Qlik, a white label mobile app for members, seat booking and friends booking and a new REST API dedicated to mobile device integrations.

In 2015, the company's revenue increased with approximately 38 % and the operating profit has also increased to 15.3 million DKK in 2015 compared to 9.2 million DKK in 2014. The revenue benefited from a favorable exchange rate GBP/DKK throughout the year. Additionally, improved account management and service task handling has resulted in both higher client satisfaction and increase in consulting revenues.

The income statement for 2015 shows a net profit of 11.72 million DKK against 6.89 million DKK last year, and the balance sheet at 31 December 2015 shows equity of 6.89 million DKK. The management considers the company's financial performance in the year satisfactory and expects further growth in 2016.

Capital resources

The balance sheet of the company per 31 December 2015 shows equity of 6.89 million DKK.

Post balance sheet events

No significant events have occurred subsequent to the financial year.

Income statement for the year ended 31 December

| | <u>Notes</u> | <u>2015</u> DKK | <u>2014</u> DKK |
|---|--------------|--------------------------|-------------------------|
| Gross Margin | | 43.481.301 | 33.137.070 |
| Staff costs | 2 | <u>-26.583.969</u> | <u>-22.145.693</u> |
| Profit before depreciations | | 16.897.332 | 10.991.378 |
| Depreciations of tangible and intangible assets | 3 | <u>-1.559.069</u> | <u>-1.767.733</u> |
| Operating profit | | 15.338.263 | 9.223.645 |
| Finance income | | 113.896 | -1.874 |
| Finance expenses | | <u>-67.528</u> | <u>-79.943</u> |
| Profit before tax | | 15.384.632 | 9.141.828 |
| Tax for the year | 4 | <u>-3.609.264</u> | <u>-2.267.430</u> |
| Profit for the year | | <u>11.775.367</u> | <u>6.874.398</u> |
| Appropriation of the profit | | | |
| Recommended appropriation of the profit for the year | | | |
| Dividend paid for the year | | 5.400.000 | 2.153.000 |
| Proposed dividend | | 6.300.000 | 4.647.000 |
| Retained earnings | | <u>75.367</u> | <u>74.398</u> |
| | | <u>11.775.367</u> | <u>6.874.398</u> |

Balance sheet at 31 December

Assets

| | <u>Notes</u> | <u>2015</u> DKK | <u>2014</u> DKK |
|----------------------------------|--------------|--------------------|--------------------|
| Fixed assets | | | |
| Finished development projects | | <u>1.234.288</u> | <u>2.423.026</u> |
| Total intangible assets | 5 | <u>1.234.288</u> | <u>2.423.026</u> |
| Plant and equipment | | 745.865 | 454.541 |
| Leasehold improvements | | 0 | 0 |
| Leased assets to customers | | <u>20.456</u> | <u>44.676</u> |
| Total plant and equipment | 6 | <u>766.320</u> | <u>499.217</u> |
| Total fixed assets | | <u>2.000.608</u> | <u>2.922.243</u> |
| Current assets | | | |
| Raw materials and consumables | | <u>113.737</u> | <u>70.354</u> |
| Inventories | | <u>113.737</u> | <u>70.354</u> |
| Trade receivables | | 3.703.877 | 4.580.567 |
| Other receivables | | 758.781 | 645.781 |
| Prepayments | | <u>969.080</u> | <u>648.965</u> |
| Total receivables | | <u>5.431.738</u> | <u>5.875.312</u> |
| Cash and cash equivalents | | <u>6.042.906</u> | <u>2.373.074</u> |
| Total current assets | | <u>11.588.381</u> | <u>8.318.740</u> |
| Total assets | | <u>13.588.990</u> | <u>11.240.983</u> |

Balance sheet at 31 December

Equity and Liabilities

| | <u>Notes</u> | <u>2015</u> DKK | <u>2014</u> DKK |
|-------------------------------------|--------------|--------------------------|--------------------------|
| Equity | | | |
| Share capital | | 186.966 | 186.966 |
| Share premium reserve | | 38.000 | 38.000 |
| Retained earnings | | 416.664 | 341.291 |
| Proposed dividend | | <u>6.300.000</u> | <u>4.647.000</u> |
| Total equity | 7 | <u>6.941.630</u> | <u>5.213.257</u> |
| | | | |
| Deferred tax | 4 | <u>343.786</u> | <u>564.945</u> |
| Total provisions | | <u>343.786</u> | <u>564.945</u> |
| | | | |
| Prepayments from customers | | 349.849 | 395.924 |
| Trade payables | | 741.544 | 310.634 |
| Income taxes payable | | 78.830 | 144.901 |
| Other payables | | <u>5.133.351</u> | <u>4.611.322</u> |
| Short-term liabilities | | <u>6.303.574</u> | <u>5.462.781</u> |
| | | | |
| Total liabilities | | <u>6.303.574</u> | <u>5.462.781</u> |
| | | | |
| Total equity and liabilities | | <u>13.588.990</u> | <u>11.240.983</u> |
| | | | |
| Contingencies and commitments | 8 | | |

Notes to the financial statement

1 Accounting policies

The annual report of Exerp ApS is presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

Reporting currency

Amounts stated in the annual report are denominated in Danish kroner.

Recognition and measurement in general

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Moreover, expenses incurred to generate earnings for the year are recognised, including depreciation, amortisation, impairment losses and provisions as well as reversals resulting from changed accounting estimates of amounts that used to be recognised in the income statement.

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

Liabilities are recognised in the statement of financial position when they are probable and the value can be reliably measured. On initial recognition, assets and liabilities are measured at cost. Subsequent to initial recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, in which case constant effective interest is recognised over the life of the asset or liability. Amortised cost is determined as original cost less repayments, if any, with the addition of or net of the accumulated amortisation of the difference between cost and nominal amount.

For recognition and measurement purposes, due consideration is given to predictable losses and risks arising before the annual report is presented and proving or disproving conditions existing at the reporting period end date.

Income statement

Revenue

Referring to the Danish Financial Statements Act § 32, revenue was not disclosed in the annual report.

Net revenue

Revenue is recognized in the income statement if delivery and transfer of ownership have taken place before year end. Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Cost of sales

Cost of sales includes the consumption of raw materials and consumables used to achieve net revenue.

Staff cost

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Depreciations

Depreciations include amortization and impairment of intangible and tangible fixed assets.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognized in the income statement, whereas the portion that relates to transactions taken to equity is recognized in equity.

Balance sheet

Intangible assets

Development costs are measured at cost less accumulated depreciations. Development costs are amortized straight-line basis over the contract period, which is estimated at 5 years.

Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The depreciation, which is calculated at cost less any residual value, straight line basis over their estimated useful lives, as follows:

| | |
|----------------------------|-----------|
| Plant and equipment | 3-8 years |
| Leasehold improvements | 5 years |
| Leased assets to customers | 1 year |

Inventories

Inventories are measured at cost using the FIFO method. Where the net realizable value is lower than cost, the inventory is written down to this lower value.

The cost of trade goods includes the purchase price plus transportation costs.

The net realizable value of inventories is calculated as the selling price less costs of completion and costs to be incurred to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortized cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Write downs are made to the lower of the net realizable value and the carrying amount.

Prepayments

Prepaid expenses recognized as assets include expenses related to subsequent financial years.

Income tax

Current tax payables and receivables are recognized in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortizable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystallize as current tax. Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or through a set off against deferred tax liabilities within the same jurisdiction.

Other payables

Other payables are measured at net realizable value.

Notes to the financial statement

| | <u>2015</u> | <u>2014</u> |
|--|--------------------------|--------------------------|
| | DKK | DKK |
| 2 Staff costs | | |
| Salaries | 26.253.328 | 21.902.241 |
| Pensions | 23.886 | 4.349 |
| Other social security costs | 306.756 | 239.104 |
| Capitalisation of development costs | <u>0</u> | <u>0</u> |
| | <u>26.583.969</u> | <u>22.145.693</u> |
| Average number of employees | <u>42</u> | <u>32</u> |
| 3 Depreciations of tangible and intangible assets | | |
| Depreciations of intangible assets | 1.188.738 | 1.475.142 |
| Depreciations of tangible assets | <u>370.331</u> | <u>292.591</u> |
| Total depreciations | <u>1.559.069</u> | <u>1.767.733</u> |
| comprising: | | |
| Finished development projects | 1.188.738 | 1.475.142 |
| Plant and equipment | 304.046 | 201.710 |
| Leased assets to customers | <u>66.285</u> | <u>90.881</u> |
| Total | <u>1.559.069</u> | <u>1.767.733</u> |

Notes to the financial statement

| | <u>2015</u> | <u>2014</u> |
|--|-------------------------|-------------------------|
| | DKK | DKK |
| 4 Tax for the year | | |
| Current tax | 3.854.830 | 2.586.901 |
| Adjustment related to prior year and foreign tax | -24.407 | 21.533 |
| Change of tax rate | 0 | -3.267 |
| Deferred tax | <u>-221.159</u> | <u>-337.737</u> |
| Total tax in the income statement | <u>3.609.264</u> | <u>2.267.430</u> |
| Deferred tax related to: | | |
| Property, plant and equipment | -70.714 | -62.198 |
| Intangible assets | 290.058 | 550.897 |
| Prepaid expenses | <u>124.442</u> | <u>76.246</u> |
| Total deferred tax | <u>343.786</u> | <u>564.945</u> |

Deferred tax is calculated with 23,5 % tax rate.

Notes to the financial statement

5 Intangible assets

| | Finished development projects |
|---|-------------------------------------|
| Cost at 1 Januar 2015 | 20.925.998 |
| Additions in the year | <u>0</u> |
| Cost at 31 December 2015 | <u>20.925.998</u> |
| Depreciations at 1 Januar 2015 | 18.502.972 |
| Depreciations in the year | <u>1.188.738</u> |
| Depreciations at 31 December 2015 | <u>19.691.710</u> |
| Carring amount at 31 December 2015 | <u>1.234.288</u> |

6 Property, plant and equipment

| | Plant and equipment | Leased assets to customers |
|---|------------------------|-------------------------------|
| Cost at 1 Januar 2015 | 1.328.062 | 167.420 |
| Additions in the year | 595.369 | 42.065 |
| Disposals in the year | <u>0</u> | <u>-7.647</u> |
| Cost at 31 December 2015 | <u>1.923.431</u> | <u>201.838</u> |
| Depreciations at 1 Januar 2015 | 873.521 | 122.744 |
| Depreciations in the year | 304.046 | 66.285 |
| Reversal of depreciation on disposals | <u>0</u> | <u>-7.647</u> |
| Depreciations at 31 December 2015 | <u>1.177.567</u> | <u>181.382</u> |
| Carring amount at 31 December 2015 | <u>745.864</u> | <u>20.456</u> |

Notes to the financial statement

7 Equity

| | Share capital | Share premium reserve | Retained earnings | Proposed dividend for the financial year | Total |
|--------------------------------|------------------|-----------------------------|----------------------|--|------------------|
| Equity 1 Januar 2015 | 186.966 | 38.000 | 341.297 | 4.647.000 | 5.213.263 |
| Dividends paid for the year | | | -5.400.000 | | -5.400.000 |
| Distributed dividend | | | | -4.647.000 | -4.647.000 |
| Profit for the year | | | 11.775.367 | | 11.775.367 |
| Proposed dividend | | | -6.300.000 | 6.300.000 | 0 |
| Equity 31 December 2015 | 186.966 | 38.000 | 416.664 | 6.300.000 | 6.941.630 |

The share capital is composed as follows:

| | |
|-------------------------------------|----------------|
| A-shares of DKK 107.600 of DKK 1,25 | 134.500 |
| B-shares of DKK 41.973 of DKK 1,25 | 52.466 |
| | <u>186.966</u> |

8 Contingencies and commitments

Contingencies

The company has signed a lease agreement for office facilities that can be terminated respectively earliest at 30 June 2016 and 1 November 2019 equivalent to a lease obligation of TDKK 5.029.

The company has signed a company charge agreement with Handelsbanken of TDKK 1.400 to cover the overdraft facility.