

# Charlie Tango A/S

Rosenvængets Allé 11, 2.

2100 København Ø

CVR No. 21029807

## Annual Report 01-07- 2017 - 31-12-2017

Årsrapporten er fremlagt og  
godkendt på selskabets  
generalforsamling.

Dato: 28/5-18

Dirigent:  Jacob A. Drøhse

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## Management's Statement

Today, Management has considered and adopted the Annual Report of Charlie Tango A/S for the financial year 1 July 2017 - 31 December 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 assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 July 2017 - 31 December 2017.

In our opinion, the 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.

Ballerup, 28 May 2018

### Executive Board

Lars Bjørn Falkenberg  
Manager

### Supervisory Board

Eva Berneke  
Chairman

Helle Berit Huss

Jannich Kiholm Lund

## Independent Auditor's Report

### To the shareholders of Charlie Tango A/S

#### Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2017 and of the results of its operations and cash flows for the financial year 1 July 2017 - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Charlie Tango A/S for the financial year 1 July 2017 - 31 December 2017, which comprise an income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

#### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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.

#### Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

#### 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 as Management considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

#### The auditor's responsibility for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements

## Independent Auditor's Report

can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

- \* Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Company's internal control.
- \* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- \* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- \* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Hellerup, 28 May 2018

**PricewaterhouseCoopers**  
**Statsautoriseret Revisionspartnerselskab**  
CVR-no. 33771231

Mikkel Sthyr  
State Authorised Public Accountant  
mne26693

Leif Ulbæk Jensen  
State Authorised Public Accountant  
mne23327

## Charlie Tango A/S

### Company details

<b>Company</b>	Charlie Tango A/S Rosenvængets Allé 11, 2. 2100 København Ø
CVR No.	21029807
Registered office	København
<b>Supervisory Board</b>	Eva Berneke, Chairman Helle Berit Huss Jannich Kiholm Lund
<b>Executive Board</b>	Lars Bjørn Falkenberg, Manager
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

## Management's Review

### **The Company's principal activities**

The Company's principal activities consist in development of innovative digital products, services and solutions across digital platforms as well as investments in other companies.

### **Development in activities and financial matters**

The Company has due to KMD's acquisition of the shares, changed the accounting period from 1 July - 30 June to 1 January to 31 December and as a result the fiscal year only includes 6 months.

The Company's Income Statement of the financial year 1 July 2017 - 31 December 2017 shows a result of DKK -450.303 and the Balance Sheet at 31 December 2017 a balance sheet total of DKK 25.889.936 and an equity of DKK 8.317.824.

The Company has made a merger with effect from 1 July 2017, between Charlie Tango A/S, Insilico ApS and Baby ApS with Charlie Tango A/S as the continuing entity. Comparative figures for the period 1 July 2016 - 30 June 2017 is based on the merger balance.

## Accounting Policies

### Reporting Class

The Annual Report of Charlie Tango A/S for 01-07- 2017 - 31-12-2017 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Company has made a merger with effect from 1 July 2017, between Charlie Tango A/S, Insilico ApS and Baby ApS with Charlie Tango A/S as the continuing entity. Comparative figures for the period 1 July 2016 30 June 2017 is based on the merger balance.

The fiscal year has been changed to follow the calendar year. As a result the reporting period only includes 6 months from 1 July 2017 to 31 December 2017.

### Reporting currency

The Annual Report is presented in Danish kroner.

### Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

## General Information

### Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.



## Accounting Policies

### Income Statement

#### Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

#### Revenue

Income from delivery of services is recognised as revenue as the service is delivered in accordance with the percentage of completion method.

Income from construction contracts are recognised as revenue as production is carried out whereby revenue corresponds to the selling price of the work performed for the year.

#### Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature to the principal activity of the Company.

#### Other external expenses

Other external expenses comprise expenses regarding sale and administration.

#### Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

#### Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Useful life and residual value are reassessed annually. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Goodwill	15 years	0%
Other fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	5 years	0%

#### Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

#### Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

## Accounting Policies

### Balance Sheet

#### Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

An impairment test of goodwill is performed in the event of indications of a decrease in value. The impairment test is performed for the activity or the business area to which the goodwill relates. Goodwill is written down to the higher of the value in use and the net selling price for the activity or business area to which the goodwill relates (recoverable amount) in the event that this one is lower than the carrying amount.

#### Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

#### Construction contracts

Construction contracts in progress are measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the estimated total income from the individual work in progress. The stage of completion is determined on the basis of costs incurred in relation to expected total costs.

Deduction for loss is determined as the total expected contract loss, irrespective of the share actually performed.

The value of the individual supplies in progress less invoicing on account is classified as receivables if the amounts are positive and as payables if the amounts are negative.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

#### Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

#### Equity

Proposed dividend for the year is recognised as a separate item in equity.

#### Financial liabilities

Financial liabilities are measured at amortised cost which usually corresponds to the nominal value.

#### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

## Income Statement

	Note	01-07- 2017 - 31-12-2017 kr.	01-07-2016 - 30-06-2017 kr.
<b>Gross profit</b>		<b>22.901.222</b>	<b>46.619.566</b>
Employee benefits expense	1	-22.743.721	-39.537.440
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-721.976	-1.580.571
<b>Profit from ordinary operating activities</b>		<b>-564.475</b>	<b>5.501.555</b>
Other finance income	2	1.877	0
Finance expences	3	-17.643	-364.137
<b>Profit from ordinary activities before tax</b>		<b>-580.241</b>	<b>5.137.418</b>
Tax expense on ordinary activities		129.938	-1.322.378
<b>Profit</b>		<b>-450.303</b>	<b>3.815.040</b>
<b>Proposed distribution of results</b>	4		
Retained earnings		-450.303	3.815.040
<b>Distribution of profit</b>		<b>-450.303</b>	<b>3.815.040</b>

**Balance Sheet as of 31 December**

	Note	31-12 2017 kr.	30-06-2017 kr.
<b>Assets</b>			
Goodwill		482.971	645.535
<b>Intangible assets</b>		<b>482.971</b>	<b>645.535</b>
Fixtures, fittings, tools and equipment		1.785.010	982.510
Leasehold improvements		481.613	495.207
<b>Property, plant and equipment</b>		<b>2.266.623</b>	<b>1.477.717</b>
Deposits, investments		103.087	100.773
<b>Investments</b>		<b>103.087</b>	<b>100.773</b>
<b>Fixed assets</b>		<b>2.852.681</b>	<b>2.224.025</b>
Short-term trade receivables		13.746.305	17.271.196
Contract work in progress		1.044.270	2.021.115
Short-term receivables from group enterprises		4.335.782	0
Current deferred tax		212.779	0
Short-term tax receivables		0	288.983
Other short-term receivables		446.591	747.353
Prepayments		363.908	270.570
<b>Receivables</b>		<b>20.149.635</b>	<b>20.599.217</b>
<b>Cash and cash equivalents</b>		<b>2.887.620</b>	<b>4.436.254</b>
<b>Current assets</b>		<b>23.037.255</b>	<b>25.035.471</b>
<b>Assets</b>		<b>25.889.936</b>	<b>27.259.496</b>

**Balance Sheet as of 31 December**

	Note	31-12 2017 kr.	30-06-2017 kr.
<b>Liabilities and equity</b>			
Contributed capital		751.723	751.723
Retained earnings		7.566.101	8.016.404
<b>Equity</b>		<b>8.317.824</b>	<b>8.768.127</b>
Provisions for deferred tax		0	1.823.691
<b>Provisions</b>		<b>0</b>	<b>1.823.691</b>
Debt to banks		186.510	120.953
Prepayments received for work in progress		3.405.406	4.438.024
Trade payables		2.126.099	2.263.606
Payables to group enterprises		1.078.896	0
Tax payables		1.906.532	1.292.632
Other payables		8.868.669	8.552.463
<b>Short-term liabilities other than provisions</b>		<b>17.572.112</b>	<b>16.667.678</b>
<b>Liabilities other than provisions within the business</b>		<b>17.572.112</b>	<b>16.667.678</b>
<b>Liabilities and equity</b>		<b>25.889.936</b>	<b>27.259.496</b>
Significant events occurring after end of reporting period	5		
Contingent liabilities	6		
Collaterals and assets pledges as security	7		
Related parties	8		

## Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 July 2017	751.723	8.016.404	8.768.127
Profit (loss)		-450.303	-450.303
<b>Equity 31 December 2017</b>	<b>751.723</b>	<b>7.566.101</b>	<b>8.317.824</b>

The share capital has developed as follows:

	31-12 2017	30-06-2017	30-06-2016	30-06-2015	30-06-2014
Balance at the beginning of the year	751.723	555.000	555.000	555.000	555.000
Addition during the year		207.823			
Disposal during the year		-11.100			
<b>Balance at the end of the year</b>	<b>751.723</b>	<b>751.723</b>	<b>555.000</b>	<b>555.000</b>	<b>555.000</b>

## Notes

	01-07- 2017 - 31-12-2017	01-07-2016 - 30-06-2017
<b>1. Employee benefits expense</b>		
Wages and salaries	20.612.222	38.253.092
Post-employment benefit expense	1.883.896	845.425
Social security contributions	247.603	438.923
	<b>22.743.721</b>	<b>39.537.440</b>
 Average number of employees	 76	 30
<b>2. Finance income</b>		
Other finance income	1.877	0
	<b>1.877</b>	<b>0</b>
<b>3. Finance expenses</b>		
Other finance expenses	17.643	364.137
	<b>17.643</b>	<b>364.137</b>
<b>4. Distribution of profit</b>		
Retained earnings	-450.303	3.815.040
	<b>-450.303</b>	<b>3.815.040</b>

## 5. Significant events occurring after end of reporting period

No significant events have occurred after the end of the reporting period.

## 6. Contingent liabilities

Charlie Tango has two rental commitments:

Rosenvængets Alle 9, has a total of kr. 829.000 of which kr. 398.000 is due within 1 year and the rest within 5 years.

Rosenvængets Alle 11, has a total of kr. 13.860.000 of which kr. 2.310.000 is due within 1 year. Kr. 9.240.000 within 5 years and kr. 2.310.000 after 5 years.

Regarding IT equipment lease Charlie Tango has commitments of a total kr. 116.000 of which kr. 105.000 is due within 1 year, the rest within 5 years.

## 7. Collaterals and securities

Charlie Tango is jointly taxed with the other Danish companies in the KMD Holding ApS Group. The joint taxation also covers withholding tax in the form of tax on dividends, royalties and interest. The Danish companies are jointly and severally liable for the joint taxation. Any subsequent corrections to the taxable income subject to joint taxation or withholding taxes may lead to a higher liability.

## 8. Related parties

The following shareholder is listed in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital: KMD A/S.

KMD A/S has Domicile in Ballerup, Denmark.

Charlie Tango A/S is fully owned by KMD A/S which is a part of KMD Holding ApS Group. A copy of the Consolidated Financial Statements can be obtained through the Company Secretary at Lautrupparken 40, 2750 Ballerup, Denmark.

Charlie Tango A/S

**Notes**

**01-07- 2017 -  
31-12-2017**

**01-07-2016 -  
30-06-2017**