

# Nodes ApS

Artillerivej 86, st. tv., 2300 København S

CVR no. 25 08 07 26

## Annual report 2017

Approved at the Company's annual general meeting on 29 June 2018

Chairman:



.....  
Andreas Rasmussen





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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Nodes ApS for the financial year 1 January - 31 December 2017.

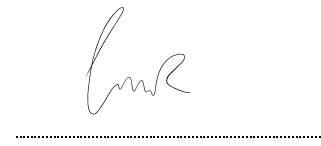
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

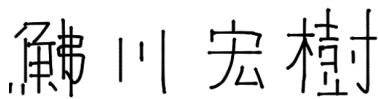

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 29 June 2018  
Executive Board:

  
.....  
Daniel Højris Bæk  
.....  
Andreas Rasmussen  
.....  
Casper Holzmann  
Rasmussen

Board of Directors:

  
.....  
Hiroki Inagava  
Chairman  
.....  
Roger Lakhani  
.....  
Daniel Højris Bæk  
.....  
Andreas Rasmussen

## Independent auditor's report

### To the shareholders of Nodes ApS

#### Opinion

We have audited the financial statements of Nodes ApS for the financial year 1 January - 31 December 2017, which comprise 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 financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 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 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

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.

#### 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 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 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 the 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 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 Company's internal control.

## Independent auditor's report

- ▶ 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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 29 June 2018  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Kim Thomsen  
State Authorised Public Accountant  
MNE no.: mne26736

## Management's review

### Company details

Name	Nodes ApS
Address, Postal code, City	Artillerivej 86, st. tv., 2300 København S
CVR no.	25 08 07 26
Established	27 November 2013
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Hiroki Inagava, Chairman Roger Lakhani Daniel Højris Bæk Andreas Rasmussen
Executive Board	Daniel Højris Bæk Andreas Rasmussen Casper Holzmann Rasmussen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management commentary

### Business review

The principal activities of the Company are development of apps and web applications for mobile phones, social media etc.

### Financial review

The income statement for 2017 shows a profit of DKK 392,348 against a loss of DKK 676,092 last year, and the balance sheet at 31 December 2017 shows equity of DKK 1,042,138.

The improvement of the result is among other things due to increase in activities.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2017	2016
	<b>Gross margin</b>	28,104,180	21,821,804
2	Staff costs	-27,082,910	-21,838,001
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-374,956	-537,905
	<b>Profit/loss before net financials</b>	646,314	-554,102
3	Financial income	62,616	0
4	Financial expenses	-306,738	-211,878
	<b>Profit/loss before tax</b>	402,192	-765,980
	Tax for the year	-9,844	89,888
	<b>Profit/loss for the year</b>	392,348	-676,092
	 <b>Recommended appropriation of profit/loss</b>		
	Retained earnings/accumulated loss	392,348	-676,092
		392,348	-676,092

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2017	2016
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
5	<b>Intangible assets</b>		
	Goodwill	97,665	204,209
		<u>97,665</u>	<u>204,209</u>
6	<b>Property, plant and equipment</b>		
	Fixtures and fittings, other plant and equipment	109,555	93,921
	Leasehold improvements	317,601	270,657
		<u>427,156</u>	<u>364,578</u>
	<b>Investments</b>		
	Other receivables	615,118	483,341
		<u>615,118</u>	<u>483,341</u>
	<b>Total fixed assets</b>	<u>1,139,939</u>	<u>1,052,128</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Trade receivables	3,470,749	3,273,039
7	Construction contracts	3,240,380	3,130,069
	Receivables from group entities	3,518,928	1,540,674
	Other receivables	82,455	0
	Receivables from owners and Management	0	28,500
	Prepayments	132,489	86,232
		<u>10,445,001</u>	<u>8,058,514</u>
	<b>Cash</b>	88,684	6,181
	<b>Total non-fixed assets</b>	<u>10,533,685</u>	<u>8,064,695</u>
	<b>TOTAL ASSETS</b>	<u><u>11,673,624</u></u>	<u><u>9,116,823</u></u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2017	2016
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
8	Share capital	80,000	80,000
	Retained earnings	962,138	569,790
	<b>Total equity</b>	<u>1,042,138</u>	<u>649,790</u>
	<b>Provisions</b>		
	Deferred tax	513,963	504,119
	<b>Total provisions</b>	<u>513,963</u>	<u>504,119</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Bank debt	1,886,747	1,246,373
7	Work in progress	1,261,224	874,579
	Trade payables	513,871	601,125
	Payables to group entities	1,866,677	253,638
	Other payables	4,589,004	4,987,199
		<u>10,117,523</u>	<u>7,962,914</u>
	<b>Total liabilities other than provisions</b>	<u>10,117,523</u>	<u>7,962,914</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>11,673,624</u></u>	<u><u>9,116,823</u></u>

- 1 Accounting policies  
9 Contractual obligations and contingencies, etc.  
10 Collateral

**Financial statements 1 January - 31 December****Statement of changes in equity**

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	80,000	569,790	649,790
Transfer through appropriation of profit	0	392,348	392,348
Equity at 31 December 2017	<u>80,000</u>	<u>962,138</u>	<u>1,042,138</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Nodes ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Leases

Leases that do not transfer substantially all the risks and rewards incident to the ownership to the Company are classified as operating leases. Payments relating to operating leases and any other rent agreements are recognised in the income statement over the term of the lease. The Company's aggregate liabilities relating to operating leases and other rent agreements are disclosed under "Contingent liabilities".

### Income statement

#### Revenue

Income from contract work is recognised as revenue at the time of delivery and the transfer of the risk to the buyer.

#### Gross margin

The items revenue, cost of sales, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

#### Other external expenses

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

#### Staff costs

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation/depreciation, which is calculated as cost less any residual value, is amortised/depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Goodwill	5 years
Fixtures and fittings, other plant and equipment	5-10 years
Leasehold improvements	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or loss is recognised in the profit and loss account under depreciation.

##### Financial income and expenses

Financial income and expenses are recognised in the income statement 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 recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### Balance sheet

###### Intangible assets

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments. Goodwill is amortised on a straight-line basis over the amortisation period, which is 5 years.

###### Property, plant and equipment

Items of property, 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.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Construction contracts

Service supplies and contract work in progress for third parties are measured at the market value of the work performed less progress billings. The market value is calculated based on the stage of completion at the balance sheet date and the total expected income from the relevant contract. The stage of completion is calculated based on the expenses incurred relative to the expected total expenses relating to the relevant contract.

Where the outcome of contract work in progress cannot be estimated reliably, the market value is measured at the expenses incurred in so far as they are expected to be paid by the purchaser.

Where the total expenses relating to the work in progress are expected to exceed the total market value, the expected loss is recognised as a loss-making agreement under "Provisions" and is expensed in the income statement.

The value of work in progress less progress billings is classified as assets when the selling price exceeds progress billings and as liabilities when progress billings exceed the market value.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Cash

Cash comprises cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

DKK	2017	2016
<b>2 Staff costs</b>		
Wages/salaries	24,130,629	19,490,611
Other social security costs	105,336	101,424
Other staff costs	2,846,945	2,245,966
	27,082,910	21,838,001
Average number of full-time employees	46	40
<b>3 Financial income</b>		
Interest receivable, group entities	61,916	0
Other financial income	700	0
	62,616	0

## Financial statements 1 January - 31 December

### Notes to the financial statements

DKK	2017	2016	
<b>4 Financial expenses</b>			
Interest expenses, group entities	29,064	25,630	
Other financial expenses	277,674	186,248	
	<u>306,738</u>	<u>211,878</u>	
<b>5 Intangible assets</b>			
DKK		<b>Goodwill</b>	
Cost at 1 January 2017		532,717	
Cost at 31 December 2017		532,717	
Impairment losses and amortisation at 1 January 2017		328,508	
Amortisation and impairment losses of disposals for the year		106,544	
Impairment losses and amortisation at 31 December 2017		435,052	
<b>Carrying amount at 31 December 2017</b>		<u>97,665</u>	
<b>6 Property, plant and equipment</b>			
DKK	<b>Fixtures and fittings, other plant and equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
Cost at 1 January 2017	741,681	761,827	1,503,508
Additions	119,787	211,203	330,990
Cost at 31 December 2017	<u>861,468</u>	<u>973,030</u>	<u>1,834,498</u>
Impairment losses and depreciation at 1 January 2017	647,760	491,170	1,138,930
Depreciation	104,153	164,259	268,412
Impairment losses and depreciation at 31 December 2017	<u>751,913</u>	<u>655,429</u>	<u>1,407,342</u>
<b>Carrying amount at 31 December 2017</b>	<u>109,555</u>	<u>317,601</u>	<u>427,156</u>
DKK	2017	2016	
<b>7 Construction contracts</b>			
Selling price of work performed	20,502,149	13,762,516	
Progress billings	-18,522,993	-11,507,026	
	<u>1,979,156</u>	<u>2,255,490</u>	
recognised as follows:			
Construction contracts (assets)	3,240,380	3,130,069	
Construction contracts (liabilities)	-1,261,224	-874,579	
	<u>1,979,156</u>	<u>2,255,490</u>	

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 8 Share capital

The Company's share capital has remained DKK 80,000 over the past 5 years.

#### 9 Contractual obligations and contingencies, etc.

##### Other financial obligations

##### Leasing liabilities

In addition to financial leasing contracts, the Company has entered into operational leasing contracts. The leasing contracts have between 3- 24 months left to run, and the total outstanding leasing payment is DKK 206,838.

##### Joint taxation

Nodes Group ApS being the management company, the Company is subject to the Danish scheme of joint taxation and is unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The Company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual report of the management company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the Company's liabilities.

Other rent and lease liabilities:

DKK	<u>2017</u>	<u>2016</u>
Rent and lease liabilities	<u>3,675,976</u>	<u>952,000</u>

#### 10 Collateral

##### Mortgage and securities

For bank debts, the Company has provided security in company assets representing a nominal value of DKK 3,000,000. This security comprises the following:

Plant and equipment, stock, goodwill, simple claims concerning sales and not registered vehicles.