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WorkBook Software A/S

Teglværksgade 37, 5. sal
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CVR no 25 52 43 14

Annual report for 2016

(16th Financial year)

Adopted at the annual general meeting
on 6 June 2017

Niels Heimburger
Chairman

Contents

Statement by Management on the annual report

The Executive and Supervisory Boards have today discussed and approved the annual report of WorkBook Software A/S for the financial year 1 January - 31 December 2016.

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 2016 and of the results of the the Company's operations and cash flows for the financial year 1 January - 31 December 2016.

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, 31 May 2017

Executive Board

Niels Heimburger

Board of Directors

Thomas Black-Petersen Chairman	Henning Lund	René Præstholm
Thomas Bolvig Amorøe	Niels Heimburger	

Independent auditor's report

To the shareholders of WorkBook Software A/S

Opinion

We have audited the financial statements of WorkBook Software A/S for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared under 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 2016 and of the results of the Company's and cash flows operations for the financial year 1 January - 31 December 2016 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 about 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 these Financial Statements

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

- 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 Management's Review

Management is responsible for Management's Review.

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

Independent auditor's report

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

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

Hellerup, 31 May 2017
CVR-nr. 33 25 68 76
Crowe Horwath

Lasse Nørgård
Statsautoriseret revisor

Company details

The Company	WorkBook Software A/S Teglværksgade 37, 5. sal 2100 København Ø	
	CVR no.:	25 52 43 14
	Reporting period:	1 January - 31 December
	Incorporated:	25. July 2000
	Domicile:	Copenhagen
Board of Directors	Thomas Black-Petersen, Chairman Henning Lund René Præstholm Thomas Bolvig Amorøe Niels Heimburger	
Executive Board	Niels Heimburger	
Auditors	Crowe Horwath Statsautoriseret Revisionsinteressentskab Rygårds Allé 104 2900 Hellerup	

Management's review

Business activities

The purpose of the company is to develop and market the WorkBook ERP system for project driven businesses.

WorkBook is subscription based cloud software with very low churn and a high proportion of recurring revenue.

Business review

The Company's income statement for the year ended 31 December shows a profit of DKK 2.653.426, and the balance sheet at 31 December 2016 shows equity of DKK 9.026.994.

The financial development of the Company is satisfactory and according to plans with significant growth rates in 2015 and 2016. Penetrating foreign markets has been a success and the Company now has subsidiaries in US and APAC regions. Growth expected to continue at even higher rates in 2017 and 2018.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of WorkBook Software A/S for 2016 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 provisions as regards larger entities.

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

The annual report for 2016 is presented in Danish kroner

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company's 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 from the company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Revenue is recognised in the income statement after completion method which means that on-going work in progress included a proportionate interim profit calculated on the basis of completion at the balance sheet date.

Gross profit reflects an aggregation of revenue and work in progress and other other external expenses. Revenue from the sale is recognised in the income statement, provided that the transfer of risk, usually on the delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be recieved.

Accounting policies

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised exchange adjustments etc.

Profit/loss from investments in subsidiaries and associates
The proportionate share of the results after tax of the individual subsidiaries is recognised in the income statement of the companyafter full elimination of intra-group profits/losses.

The proportionate share of the results after tax of the associates is recognised in the company income statement after elimination of the proportionate share of intra-group profits/gains.

Tax on profit/loss for the year
Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects, patents and licences
Development costs comprise costs directly and indirectly attributable to the company's development activities.

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years. The amortisation period is usually five years and will not exceed twenty years.

Gains and losses on the disposal of development projects, patents and licences are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as part of amortisation, depreciation and impairment.

Tangible assets
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Where individual parts of an item of property, plant and equipment have different useful lives, the cost is divided into separate parts, which are depreciated separately.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5	years

Assets costing less than DKK 12.900 are expensed in the year of acquisition.

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as part of amortisation, depreciation and impairment.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the fair values of identifiable net assets at the tome of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of WorkBook Software A/S is adopted are not taken to the net revaluation reserve.

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 is impaired, an impairment loss for that individual asset is recognised.

Accounting policies

Contract work in progress
Contract work in progress is measured at the selling price of the work performed. The selling price is measured based on the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be reliably determined, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments
Prepayments comprise costs incurred concerning subsequent financial years.

Equity
Dividend
Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

Income tax and deffered tax
Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities.

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.

Liabilities
Liabilities are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income
Deferred income comprises payments received concerning income in subsequent reporting years.

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Cash flow statement

The cash flow statement shows the company's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are stated as the profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Income statement
1 January - 31 December 2016

	Note	2016	2015
		DKK	TDKK
Gross profit		**18.236.358**	**14.564**
Staff costs	3	-10.513.557	-10.276
Earnings Before Interest Taxes Depreciation and Amortization		**7.722.801**	**4.288**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	4	-2.530.480	-2.451
Profit/loss before financial income and expenses		**5.192.321**	**1.837**
Loss from investments in subsidiares		-1.413.182	-999
Financial income	5	118.288	0
Financial costs	6	-92.372	-83
Profit/loss before tax		**3.805.055**	**755**
Tax on profit/loss for the year	7	-1.151.629	-397
Net profit/loss for the year		**2.653.426**	**358**

Proposed distribution of profit

Retained earnings	2.653.426	358
	2.653.426	**358**

Balance sheet at 31 December 2016

	Note	2016	2015
		DKK	TDKK
Assets			
Completed development projects		5.203.888	4.437
Development projects in progress		5.748.865	3.294
Intangible assets	8	**10.952.753**	**7.731**
Other fixtures and fittings, tools and equipment		8.200	12
Tangible assets		**8.200**	**12**
Investments in subsidiaries	9	179.971	0
Deposits		358.746	349
Fixed asset investments		**538.717**	**349**
Fixed assets total		**11.499.670**	**8.092**
Trade receivables		1.114.231	1.157
Contract work in progress	10	418.914	709
Receivables from subsidiaries		2.504.897	1.059
Other receivables		508.327	156
Prepayments		193.557	366
Receivables		**4.739.926**	**3.447**
Cash at bank and in hand		**1.247.582**	**1.076**
Current assets total		**5.987.508**	**4.523**
Assets total		**17.487.178**	**12.615**

Balance sheet at 31 December 2016

	Note	2016	2015
		DKK	TDKK
Liabilities and equity			
Share capital		625.000	625
Reserve for development expenditure		5.748.865	0
Retained earnings		2.653.129	5.749
Equity	11	**9.026.994**	**6.374**
Provision for deferred tax		2.198.216	1.130
Provisions total		**2.198.216**	**1.130**
Payables to parent		1.550.000	1.950
Long-term debt	12	**1.550.000**	**1.950**
Short-term part of long-term debt	12	400.000	89
Banks		397.046	257
Prepayments received from customers		227.502	0
Trade payables		334.129	546
Prepayments received recognised in debt	10	390.743	215
Corporation tax		48.955	0
Other payables		2.594.335	1.953
Deferred income		319.258	101
Short-term debt		**4.711.968**	**3.161**
Debt total		**6.261.968**	**5.111**
Liabilities and equity total		**17.487.178**	**12.615**
Contingent assets, liabilities and other financial obligations	13		
Charges and securities	14		

Cash flow statement
1 January - 31 December 2016

	Note	2016	2015
		DKK	TDKK
Net profit/loss for the year		2.653.426	358
Adjustments	1	3.832.618	3.154
Change in working capital	2	-330.873	-1.349
Cash flows from operating activities before financial income and expenses		**6.155.171**	**2.163**
Wihholding tax		-34.909	0
Cash flows from operating activities		**6.120.262**	**2.163**
Purchase of intangible assets		-5.748.866	-3.294
Purchase of property, plant and equipment		0	-16
Fixed asset investments made etc		-340.034	-150
Cash flows from investing activities		**-6.088.900**	**-3.460**
Change in cash and cash equivalents		**31.362**	**-1.297**
Cash at bank and in hand		1.075.864	2.116
Overdraft facility		-256.690	0
Cash and cash equivalents		819.174	2.116
Cash and cash equivalents		**850.536**	**819**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		1.247.582	1.076
Overdraft facility		-397.046	-257
Cash and cash equivalents		**850.536**	**819**

Notes

		2016	2015
		DKK	TDKK
1	**Cash flow statement - adjustments**		
	Depreciation, amortisation and impairment losses	2.530.480	2.451
	Write-off investment in subsidiaries	150.509	306
	Tax on profit/loss for the year	1.151.629	397
		3.832.618	**3.154**

2	**Cash flow statement - change in working capital**		
	Change in receivables	-1.291.835	0
	Change in trade payables, etc.	960.962	280
		-330.873	**280**

3	**Staff costs**		
	Wages and salaries	14.520.091	12.384
	Pensions	729.794	503
	Other social security costs	226.596	72
	Other staff costs	785.941	611
		16.262.422	**13.570**
	Transfer to development projects	-5.748.865	-3.294
		10.513.557	**10.276**
	Average number of employees	46	33

Notes

		2016	2015
		DKK	TDKK
4	**Depreciation, amortisation and impairment of intangible assets and property, plant and equipment**		
	Depreciation intangible assets	2.526.379	2.447
	Depreciation tangible assets	4.101	4
		2.530.480	**2.451**

5	**Financial income**		
	Interest received from subsidiaries	76.745	0
	Other financial income	41.543	0
		118.288	**0**

6	**Financial costs**		
	Interest paid to parent	61.159	59
	Other financial costs	31.213	24
		92.372	**83**

7	**Tax on profit/loss for the year**		
	Current tax for the year	83.864	0
	Deferred tax for the year	1.067.765	397
		1.151.629	**397**

Notes

8 Intangible assets

	Completed development projects	Development projects in progress
Cost at 1 January 2016	13.584.752	3.293.549
Additions for the year	3.293.549	5.748.865
Disposals for the year	0	-3.293.549
Cost at 31 December 2016	16.878.301	5.748.865
Impairment losses and amortisation at 1 January 2016	9.148.034	0
Depreciation for the year	2.526.379	0
Impairment losses and amortisation at 31 December 2016	11.674.413	0
Carrying amount at 31 December 2016	**5.203.888**	**5.748.865**

The company is constantly developing its software for project driven businesses. Developmentprojects in progress relates to new features and new technological platforms. Maintaining the position as state of the art software

Notes

		2016	2015
		DKK	TDKK
9	**Investments in subsidiaries**		
	Cost at 1 January 2016	306.070	306
	Additions for the year	330.480	0
	Cost at 31 December 2016	636.550	306
	Revaluations at 1 January 2016	-306.070	0
	Net profit/loss for the year	-1.413.182	-999
	Equity investments with negative net asset value amortised over receivables	1.262.673	693
	Revaluations at 31 December 2016	-456.579	-306
	Carrying amount at 31 December 2016	**179.971**	**0**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
WorkBook Inc.	Delaware, USA	100%
WorkBook APAC Company Limited	Ho Chi Minh City, Vietnam	100%

		2016	2015
10	**Contract work in progress**		
	Work in progress, selling price	1.589.786	1.554
	Work in progress, payments received on account	-1.561.615	-1.060
		28.171	**494**
	Recognised in the balance sheet as follows:		
	Contract work in progress recognised in assets	418.914	709
	Prepayments received recognised in debt	-390.743	-215
		28.171	**494**

Notes

11 Equity

	Share capital	Reserve for development expenditure	Retained earnings	Total
Equity at 1 January 2016	625.000	0	5.748.568	6.373.568
Revaluation for the year	0	5.748.865	0	5.748.865
Other equity movements	0	0	-5.748.865	-5.748.865
Net profit/loss for the year	0	0	2.653.426	2.653.426
Equity at 31 December 2016	**625.000**	**5.748.865**	**2.653.129**	**9.026.994**

12 Long term debt

	Debt at 1 January 2016	Debt at 31 December 2016	Payment within 1 year	Debt after 5 years
Payables to parent	1.950.000	1.550.000	400.000	0
	1.950.000	**1.550.000**	**400.000**	**0**

13 Contingent assets, liabilities and other financial obligations

The Company has entered into a lease for renting premises. The Company has a non-cancellable period with a total amount of TDKK 656. One lease can not be terminated until April 1, 2017.

The Group's Danish companies are jointly and severally liable for corporation tax.

14 Charges and securities

None.