

Planday A/S

Njalsgade 19 D, 7.
2300 Copenhagen S
Central Business Registration No
27666248

Annual report 2016

The Annual General Meeting adopted the annual report on 11.05.2017

Chairman of the General Meeting

Name: Kasper Sommer

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2016	7
Balance sheet at 31.12.2016	8
Statement of changes in equity for 2016	10
Notes	11
Accounting policies	15

Entity details

Entity

Planday A/S
Njalsgade 19 D, 7.
2300 Copenhagen S

Central Business Registration No: 27666248

Registered in: Copenhagen

Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Johan Brenner, chairman
Guillaume-Alexandre Durao
Christian Brøndum
Anders Kynde Frederiksen
Mikkel Benjamin Lomholt

Executive Board

Christian Brøndum, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Planday A/S for the financial year 01.01.2016 - 31.12.2016.

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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 28.04.2017

Executive Board

Christian Brøndum
CEO

Board of Directors

Johan Brenner
chairman

Guillaume-Alexandre Durao

Christian Brøndum

Anders Kynde Frederiksen

Mikkel Benjamin Lomholt

Independent auditor's report

To the shareholders of Planday A/S

Opinion

We have audited the financial statements of Planday A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

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:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 28.04.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Jacob Simonsen

State Authorised Public Accountant

Management commentary

Primary activities

The Entity's primary activity is to conduct business with sale and licensing of software and other related activities.

Development in activities and finances

Net loss of the year stand at DKK 12.949k, equity at DKK 72.058k and total assets at DKK 81.984k.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross profit		12.980.111	7.555.392
Staff costs	1	(24.270.123)	(11.737.367)
Depreciation, amortisation and impairment losses	2	<u>(3.960.288)</u>	<u>(2.485.840)</u>
Operating profit/loss		(15.250.300)	(6.667.815)
Other financial income		422.967	140.573
Other financial expenses		<u>(1.368.774)</u>	<u>(357.172)</u>
Profit/loss before tax		(16.196.107)	(6.884.414)
Tax on profit/loss for the year	3	<u>3.246.668</u>	<u>1.656.701</u>
Profit/loss for the year		<u>(12.949.439)</u>	<u>(5.227.713)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(12.949.439)</u>	<u>(5.227.713)</u>
		<u>(12.949.439)</u>	<u>(5.227.713)</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Completed development projects		15.300.751	7.483.715
Development projects in progress		15.806.462	7.928.930
Intangible assets	4	<u>31.107.213</u>	<u>15.412.645</u>
Other fixtures and fittings, tools and equipment		1.249.509	1.135.392
Leasehold improvements		239.482	193.417
Property, plant and equipment	5	<u>1.488.991</u>	<u>1.328.809</u>
Investments in group enterprises		52.106	52.106
Other investments		10.000	10.000
Deposits		710.411	577.035
Fixed asset investments	6	<u>772.517</u>	<u>639.141</u>
Fixed assets		<u>33.368.721</u>	<u>17.380.595</u>
Trade receivables		515.200	498.159
Receivables from group enterprises		5.147.746	1.828.953
Other receivables		12.446	105.730
Income tax receivable		4.234.146	2.265.514
Prepayments		699.350	662.294
Receivables		<u>10.608.888</u>	<u>5.360.650</u>
Cash		<u>38.006.643</u>	<u>1.236.950</u>
Current assets		<u>48.615.531</u>	<u>6.597.600</u>
Assets		<u>81.984.252</u>	<u>23.978.195</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		1.008.989	748.268
Reserve for development expenditure		14.641.570	0
Retained earnings		<u>56.407.141</u>	<u>12.552.956</u>
Equity		<u>72.057.700</u>	<u>13.301.224</u>
Deferred tax		<u>2.753.291</u>	<u>1.797.813</u>
Provisions		<u>2.753.291</u>	<u>1.797.813</u>
Bank loans		217.893	4.356.574
Prepayments received from customers		46.071	99.984
Trade payables		2.485.881	1.273.826
Other payables		<u>4.423.416</u>	<u>3.148.774</u>
Current liabilities other than provisions		<u>7.173.261</u>	<u>8.879.158</u>
Liabilities other than provisions		<u>7.173.261</u>	<u>8.879.158</u>
Equity and liabilities		<u>81.984.252</u>	<u>23.978.195</u>
Unrecognised rental and lease commitments	7		
Mortgages and securities	8		

Statement of changes in equity for 2016

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	748.268	0	12.552.956	13.301.224
Increase of capital	260.721	0	72.180.932	72.441.653
Costs related to equity transactions	0	0	(735.738)	(735.738)
Profit/loss for the year	0	14.641.570	(27.591.009)	(12.949.439)
Equity end of year	1.008.989	14.641.570	56.407.141	72.057.700

Notes

	2016	2015
	DKK	DKK
1. Staff costs		
Wages and salaries	20.198.981	8.942.497
Pension costs	2.205.100	1.246.233
Other social security costs	424.717	235.554
Other staff costs	1.441.325	1.313.083
	24.270.123	11.737.367
Average number of employees	59	34
	2016	2015
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Impairment losses on intangible assets	3.406.096	2.162.833
Depreciation of property, plant and equipment	504.546	323.007
Profit/loss from sale of intangible assets and property, plant and equipment	49.646	0
	3.960.288	2.485.840
	2016	2015
	DKK	DKK
3. Tax on profit/loss for the year		
Tax on current year taxable income	(4.202.146)	(2.265.514)
Change in deferred tax for the year	955.478	608.813
	(3.246.668)	(1.656.701)

Notes

	Completed develop- ment projects DKK	Develop- ment projects in progress DKK
4. Intangible assets		
Cost beginning of year	13.954.833	7.928.930
Transfers	7.928.930	(7.928.930)
Additions	<u>3.294.202</u>	<u>15.806.462</u>
Cost end of year	<u>25.177.965</u>	<u>15.806.462</u>
Amortisation and impairment losses beginning of year	(6.471.118)	0
Amortisation for the year	<u>(3.406.096)</u>	<u>0</u>
Amortisation and impairment losses end of year	<u>(9.877.214)</u>	<u>0</u>
Carrying amount end of year	<u>15.300.751</u>	<u>15.806.462</u>

Development projects in progress

The Company's development projects relates to its online employee scheduling platform. Development projects in progress includes development of new features and methods of integration, and is an integral part of pursuing the Company's strategy of organiz growth. Management is actively monitoring potential market opportunities and the ongoing improvement and renewal of the Company's product is an important factor in the realization of the Company's potential.

Notes

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK	
5. Property, plant and equipment			
Cost beginning of year	1.800.714	348.513	
Additions	610.194	104.180	
Disposals	(79.936)	0	
Cost end of year	2.330.972	452.693	
Depreciation and impairment losses beginning of the year	(665.322)	(155.096)	
Depreciation for the year	(446.431)	(58.115)	
Reversal regarding disposals	30.290	0	
Depreciation and impairment losses end of the year	(1.081.463)	(213.211)	
Carrying amount end of year	1.249.509	239.482	
	Investments in group enterprises DKK	Other investments DKK	Deposits DKK
6. Fixed asset investments			
Cost beginning of year	52.106	10.000	577.035
Additions	0	0	133.376
Cost end of year	52.106	10.000	710.411
Carrying amount end of year	52.106	10.000	710.411

Notes

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>	<u>Equity DKK</u>	<u>Profit/loss DKK</u>
Investments in group enterprises comprise:					
Planday Norge AS	Norge	AS	100,0	232.470	203.749
Planday Limited	England	Ltd	100,0	268.207	73.701
Planday Inc	USA	Inc	100,0	(457.621)	(6.416)
Planday Vietnam Co. Limited	Vietnam	Ltd	100,0	0	0
				2016	2015
				DKK	DKK
7. Unrecognised rental and lease commitments					
Hereof liabilities under rental or lease agreements until maturity in total				1.825.000	2.522.000

8. Mortgages and securities

Bank loans are secured by way of a floating charge nominal DKK 3.000 which provides security in intangible assets, property, plant and equipment and trade receivables.

The carrying amount of these assets is DKK 33.111k.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Cost of sales

Cost of sales comprises costs directly related to revenue.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

Accounting policies

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects, protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights.

The depreciation period is estimated at 5 years.

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

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

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

Other investments

Other investments comprise listed securities which are measured at fair value (market price) at the balance sheet date and unlisted equity investments measured at cost. Unlisted equity investments are written down to any lower net realisable value.

Accounting policies

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.