

# Elearningforce International ApS

Europaplads 16, 4., 8000 Aarhus C

CVR no. 32 13 97 28



## Annual report

for the year 1 January - 31 December 2015

Approved at the annual general meeting of shareholders on 25 May 2016

Chairman:



.....  
Jan Ankjær Sørensen



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working world



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

The Board of Directors and the Executive Board have today discussed and approved the annual report of Elearningforce International ApS for the financial year 1 January - 31 December 2015.

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 Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

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

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

Aarhus, 25 May 2016  
Executive Board:

  
Bjarne Holst Mortensen

Board of Directors:

  
Jan Ankjær Sørensen  
Chairman  
Bjarne Holst Mortensen  
Frank Høyer Rasmussen  
Bo Sejer Frandsen

## Independent auditors' report

To the shareholders of Elearningforce International ApS

### Independent auditors' report on the financial statements

We have audited the financial statements of Elearningforce International ApS for the financial year 1 January - 31 December 2015, which comprise an 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.

### *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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

### *Opinion*

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

### Statement on the Management's review

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

Aarhus, 25 May 2016

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR No. 30 70 02 28



Henry Vesterholm  
State Authorised Public Accountant



## Management's review

### Company details

Name	Elearningforce International ApS
Address, Postal code, City	Europaplads 16, 4., 8000 Aarhus C
CVR No.	32 13 97 28
Established	23 April 2009
Registered office	Aarhus
Financial year	1 January - 31 December
Website	<a href="http://www.elearningforce.com">www.elearningforce.com</a>
Telephone	+45 70 27 91 91
Board of Directors	Jan Ankjær Sørensen, Chairman Bjarne Holst Mortensen Frank Høyer Rasmussen Bo Sejer Frandsen
Executive Board	Bjarne Holst Mortensen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P O Box 330, 8000 Aarhus C, Denmark

## Management's review

### Operating review

#### The Company's business review

Elearningforce International ApS is a software company developing and marketing systems for Learning Management and related areas. The Company is also engaged in Professional Service Consulting activities.

Since 2009, SharePoint Learning Management System has been launched and sold directly through subsidiaries and agents to public and private enterprises on the global market. A new product line, LMS365, based on Microsoft Cloud Solution Office 365, was released in 2014. This new product line is expected to contribute to a continued positive development in the Company also in 2016.

The Company owns all shares in Elearningforce UK Limited and Elearningforce Corporation.

#### Financial review

The income statement for 2015 shows a profit of DKK 1,660,515 against a profit of DKK 1,086,332 last year, and the balance sheet at 31 December 2015 shows a negative equity of DKK 301,298. The profit for the year is in line with expectations, and Management considers the profit for the year satisfactory.

The Company's equity was negative at 31 December 2015, and the Company is therefore subject to the capital loss rules described in section 119 of the Danish Companies Act. The Company expects to re-establish its share capital through future earnings. Subordinate loan capital of DKK 7,255 thousand has been provided to strengthen the Company's financial position.

#### Post balance sheet events

No significant events have occurred subsequent to the financial year.

#### Outlook

The Company expects to report further growth in 2016 and to enjoy satisfactory results.

## Financial statements for the period 1 January - 31 December

### Income statement

Note	DKK	2015	2014
	<b>Gross profit</b>	13,349,354	11,776,032
2	Staff costs	-7,884,348	-7,794,041
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-3,116,391	-2,695,664
	<b>Operating profit</b>	2,348,615	1,286,327
	Income from investments in group entities	-140,955	12,139
3	Financial income	558,258	466,647
4	Financial expenses	-589,003	-510,781
	<b>Profit before tax</b>	2,176,915	1,254,332
5	Tax for the year	-516,400	-168,000
	<b>Profit for the year</b>	<u>1,660,515</u>	<u>1,086,332</u>
	<b>Proposed profit appropriation</b>		
	Retained earnings	<u>1,660,515</u>	<u>1,086,332</u>
		<u>1,660,515</u>	<u>1,086,332</u>

## Financial statements for the period 1 January - 31 December

### Balance sheet

Notes	DKK	<u>2015</u>	<u>2014</u>
	<b>ASSETS</b>		
	Non-current assets		
6	<b>Intangible assets</b>		
	Completed development projects	9,669,277	7,477,430
	Goodwill	479,167	729,167
	Development projects in progress and prepayments for intangible assets	<u>0</u>	<u>1,392,723</u>
		<u>10,148,444</u>	<u>9,599,320</u>
7	<b>Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	<u>13,599</u>	<u>0</u>
		<u>13,599</u>	<u>0</u>
8	<b>Investments</b>		
	Investments in group entities, net asset value	<u>0</u>	<u>0</u>
		<u>0</u>	<u>0</u>
	<b>Total non-current assets</b>	<u>10,162,043</u>	<u>9,599,320</u>
	<b>Current assets</b>		
	<b>Receivables</b>		
	Trade receivables	4,175,260	4,783,959
	Receivables from group entities	987,284	34,458
	Other receivables	104,317	248,940
	Prepayments	<u>233,143</u>	<u>6,897</u>
		<u>5,500,004</u>	<u>5,074,254</u>
	<b>Cash</b>	<u>2,522,205</u>	<u>1,313,876</u>
	<b>Total current assets</b>	<u>8,022,209</u>	<u>6,388,130</u>
	<b>TOTAL ASSETS</b>	<u>18,184,252</u>	<u>15,987,450</u>



## Financial statements for the period 1 January - 31 December

### Balance sheet

Notes	DKK	2015	2014
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	125,000	125,000
	Retained earnings	-426,298	-1,877,387
	<b>Total equity</b>	<u>-301,298</u>	<u>-1,752,387</u>
	<b>Provisions</b>		
	Deferred tax	1,622,400	1,106,000
8	Provision, investments in group entities	0	338,808
	<b>Total provisions</b>	<u>1,622,400</u>	<u>1,444,808</u>
	<b>Liabilities other than provisions</b>		
	<b>Non-current liabilities other than provisions</b>		
9	Subordinate loan capital	7,254,595	7,717,342
	Other payables	1,380,000	1,176,500
		<u>8,634,595</u>	<u>8,893,842</u>
	<b>Current liabilities other than provisions</b>		
	Current portion of long-term liabilities	714,957	0
	Trade payables	769,963	640,564
	Payables to group entities	0	160,057
	Other payables	1,659,695	2,084,541
	Deferred income	5,083,940	4,516,025
		<u>8,228,555</u>	<u>7,401,187</u>
	<b>Total liabilities other than provisions</b>	<u>16,863,150</u>	<u>16,295,029</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>18,184,252</u></u>	<u><u>15,987,450</u></u>

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

## Financial statements for the period 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 2014	125,000	-2,753,857	-2,628,857
Profit/loss for the year	0	1,086,332	1,086,332
Exchange adjustment	0	-209,862	-209,862
<b>Equity at 1 January 2015</b>	<b>125,000</b>	<b>-1,877,387</b>	<b>-1,752,387</b>
Profit/loss for the year	0	1,660,515	1,660,515
Exchange adjustment	0	-209,426	-209,426
<b>Equity at 31 December 2015</b>	<b>125,000</b>	<b>-426,298</b>	<b>-301,298</b>

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Elearningforce International ApS for 2015 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

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

#### Currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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.

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 at 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.

#### Foreign group entities

Foreign subsidiaries and associates are considered separate enterprises. Items in such enterprises' income statements are translated at the average exchange rates for the month, and their balance sheet items are translated at the exchange rates at the balance sheet date. Foreign exchange differences arising on translation of the opening equity of such enterprises at the exchange rates at the balance sheet date and on translation of the income statements from the average exchange rates to the exchange rates at the balance sheet date are recognised directly in equity.

### Income statement

#### Revenue

Income from the sale of services, which comprises consultancy assistance, etc., is recognised in the income statement as the services are rendered.

Income from the sale of time-limited software licences is considered leasing of a right of use and is therefore recognised in line with the transfer of the right.

Income from the sale of indefinite software licences is recognised as sale of goods when delivery and transfer of risk to the buyer have taken place.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

#### Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

#### Other operating income

Other operating income comprise items of a secondary nature relative to the entity's core activities, including gains or losses on the sale of non-current assets.

#### Other external expenses

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

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Staff costs

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

##### Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

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

The cost for completed development projects is amortised over the expected useful life.

Goodwill is amortised over the expected economic life, measured by reference to an assessment of, among other factors, the nature, earnings and market position of the acquired entity as well as the stability of the industry and the dependence on key staff.

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

Completed development projects	5 years
Goodwill	5 years

##### Income from investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

##### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, transactions denominated in foreign currencies and amortisation of financial assets and liabilities.

##### Tax

The parent company, Elearningforce DK ApS, is covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries form part of the joint taxation from the date on which they are included in the consolidation of the consolidated financial statements and up to the date on which they exit the consolidation.

The parent company, Elearningforce DK ApS, is the administrative company for the joint taxation and consequently settles all corporation tax payments with the tax authorities.

The current Danish corporation tax is allocated by settlement of joint taxation contribution between the jointly taxed companies in proportion to their taxable income. In this relation, companies with tax loss carryforwards receive joint taxation contribution from companies that have used these losses to reduce their own taxable profits.

Tax for the year comprises current tax, joint taxation contributions for the year and changes in deferred tax for the year - due to changes in the tax rate. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

###### Intangible assets

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

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs, administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

The cost of development projects is computed at direct costs incurred together with a portion of costs indirectly relating to the individual development projects.

Gains and losses on the sale of intangible assets are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

###### 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.

###### Investments in group entities

On initial recognition, investments in subsidiaries and associates are measured at cost and subsequently at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies less or plus any residual value of positive or negative goodwill determined in accordance with the acquisition method. Subsidiaries and associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the enterprise's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the acquisition cost.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Impairment of fixed assets

Every year, intangible assets and property, plant and equipment as well as investments in subsidiaries are reviewed for impairment. Where there is indication of impairment, an impairment test is made for each individual asset or group of assets, respectively, generating independent cash flows. The assets are written down to the higher of the value in use and the net selling price of the asset or group of assets (recoverable amount) if it is lower than the carrying amount. Where an impairment loss is recognised on a group of assets, a loss must first be allocated to goodwill and then to the other assets on a pro rata basis.

##### Receivables

Receivables are measured at amortised cost.

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

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs 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.

##### Prepayments

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

##### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

##### Equity

###### *Proposed dividends*

Dividends proposed for the financial year are presented as a separate item under 'Equity'.

###### *Reserve for net revaluation according to the equity method*

The reserve comprises net revaluations of investments in subsidiaries compared to the cost price.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value 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 taxation rules and taxation 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 value at which they are expected to be utilised, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the 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 liability in respect of finance leases.

Other liabilities are measured at net realisable value.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

DKK	2015	2014
<b>2 Staff costs</b>		
Wages/salaries	7,080,208	6,959,210
Pensions	625,891	651,020
Other social security costs	163,999	177,691
Other staff costs	14,250	6,120
	<u>7,884,348</u>	<u>7,794,041</u>
<b>3 Financial income</b>		
Interest receivable, group entities	27,737	94,607
Exchange adjustments	169,547	289,056
Exchange gain	360,137	82,984
Other financial income	837	0
	<u>558,258</u>	<u>466,647</u>

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

DKK		2015	2014
<b>4</b>	<b>Financial expenses</b>		
	Interest expenses, group entities	203,500	258,953
	Other interest expenses	252,209	238,813
	Exchange losses	20,794	12,454
	Other financial expenses	112,500	561
		<u>589,003</u>	<u>510,781</u>
<b>5</b>	<b>Tax for the year</b>		
	Deferred tax adjustments in the year	527,200	309,600
	Change in tax rate	-10,800	-141,600
		<u>516,400</u>	<u>168,000</u>

### 6 Intangible assets

DKK	Completed development projects	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2015	13,874,840	1,250,000	1,392,723	16,517,563
Additions in the year	5,058,240	0	3,665,517	8,723,757
Disposals in the year	0	0	-5,058,240	-5,058,240
Cost at 31 December 2015	<u>18,933,080</u>	<u>1,250,000</u>	<u>0</u>	<u>20,183,080</u>
Impairment losses and amortisation at 1 January 2015	6,397,410	520,833	0	6,918,243
Amortisation in the year	2,866,393	250,000	0	3,116,393
Impairment losses and amortisation at 31 December 2015	<u>9,263,803</u>	<u>770,833</u>	<u>0</u>	<u>10,034,636</u>
Carrying amount at 31 December 2015	<u>9,669,277</u>	<u>479,167</u>	<u>0</u>	<u>10,148,444</u>

### 7 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment
Cost at 1 January 2015	317,708
Additions in the year	13,599
Cost at 31 December 2015	<u>331,307</u>
Impairment losses and depreciation at 1 January 2015	317,708
Impairment losses and depreciation at 31 December 2015	<u>317,708</u>
Carrying amount at 31 December 2015	<u>13,599</u>



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 8 Investments

DKK	Investments in group entities, net asset value
Cost at 1 January 2015	9,525
Exchange adjustment	594
Cost at 31 December 2015	<u>10,119</u>
Value adjustments at 1 January 2015	-9,525
Exchange adjustment	-210,022
Share of the profit/loss for the year	-140,957
Other adjustments, investments	-2,667,273
Transferred to set off against receivables	3,017,658
Value adjustments at 31 December 2015	<u>-10,119</u>
Carrying amount at 31 December 2015	<u><u>0</u></u>

Of the total carrying amount, negative net assets in associates, DKK 3,017 thousand, have been set off against receivables.

DKK	Domicile	Interest	Equity	Profit/loss
<b>Subsidiaries</b>				
Elearningforce UK Limited	London	100.00 %	-1,957,692	33,340
Elearningforce Corporation	New York	100.00 %	-1,059,961	-174,295

#### 9 Subordinate loan capital

DKK	Amount outstanding
Subordinate loan capital	5,000,000
Subordinate loan capital, Vækstfonden	2,254,595
	<u><u>7,254,595</u></u>

Some of the shareholders have granted subordinate loan capital of DKK 5,000 thousand which is subordinated in relation to the other creditors. Repayment of the loan will be commenced when warranted by the financial position of the Company.

The Danish Fund for Industrial Growth (Vækstfonden) has granted subordinate loan capital of DKK 2,250 thousand. The loan carries interest at CIBOR + 14% per annum. The loan and interest accrued must be repaid within four years. First instalment is due for payment on 1 January 2016.

#### 10 Collateral

As security for the Company's debt to banks, the Company has issued a company charge of DKK 2,500 thousand secured on trade receivables, fixtures and fittings, tools and equipment as well as goodwill, domain name and rights.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

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

##### Other contingent liabilities

The Company uses software belonging to Elearningforce DK ApS. The Company has agreed to pay royalty of DKK 6,076 thousand for this use. The consideration is, however, dependent on revenue and earnings in the Company.

The Company is facing a potential tax assessment in the US regarding Elearningforce Corporation US. The potential assessment ranges from DKK 9 thousand to DKK 2,493 thousand in a worst case scenario. The Company does not expect the amounts to become payable.

The Company guarantees the liquidity required (up to DKK 390 thousand) for the day-to-day operation of subsidiaries up to the end of 2016, corresponding to the subsidiaries' max. budgeted cash requirements for 2016.

The parent company is jointly taxed with its parent company, Earningsforce DK ApS. As a jointly taxed company, which is not wholly-owned, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties in the joint taxation unit. At 31 December 2015, the net taxes payable to SKAT by the companies included in the joint taxation amounted to DKK 0 thousand. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail that the Company's liability will increase.