Elearningforce International ApS

Europaplads 16, 4., 8000 Aarhus C

CVR no. 32 13 97 28

Annual report
for the year 1 January - 31 December 2016

Approved at the annual general meeting of shareholders on 3 April 2017

Chairman:

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Building a better
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 2016.

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

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.

Aarhus, 3 April 2017
Executive Board:

Bjarne Holst Mortensen

Board of Directors:

Paul Ferdinand Andringa

Christopher Charles Ostler

Robert Nederby

Bjarne Holst Mortensen

Independent auditor's report

To the shareholders of Elearningforce International ApS

Opinion

We have audited the financial statements of Elearningforce International ApS for the financial year 1 January - 31 December 2016, which comprise an 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 2016 and of the results of the Company's 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 rules and 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 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 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.

Independent auditor's report

- 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 conclusion is 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 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 our procedures, 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.

Aarhus, 3 April 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henry Vesterholm

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	www.elearningforce.com
Telephone	+45 70 27 91 91
Board of Directors	Paul Ferdinand Andringa Christopher Charles Ostler Robert Nederby Bjarne Holst Mortensen
Executive Board	Bjarne Holst Mortensen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Management commentary

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 i 2017.

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

Financial review

The income statement for 2016 shows a profit of DKK 1,219,665 against a DKK 1,660,515 last year, and the balance sheet at 31 December 2016 shows equity of DKK 10,136,184.

The Company has acquired the shares in SLIP Holding ApS during the financial year 2016.

Management considers the Company's financial performance in the year satisfactory.

Events after the balance sheet date

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

Outlook

The Company expects to report further growth in 2017 and to enjoy satisfactory results.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2016	2015
	Gross margin	14,565,455	13,349,354
2	Staff costs	-9,101,309	-7,884,348
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-3,659,891	-3,116,391
	Profit before net financials	1,804,255	2,348,615
	Income from investments in group entities	219,273	-140,955
3	Financial income	294,700	558,258
4	Financial expenses	-788,667	-589,003
	Profit before tax	1,529,561	2,176,915
5	Tax for the year	-309,896	-516,400
	Profit for the year	1,219,665	1,660,515

	Proposed profit appropriation		
	Proposed dividend recognised under equity	1,500,000	0
	Other statutory reserves	2,616,369	0
	Retained earnings/accumulated loss	-2,896,704	1,660,515
		1,219,665	1,660,515

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	ASSETS		
	Fixed assets		
6	**Intangible assets**		
	Completed development projects	9,811,626	9,669,277
	Acquired intangible assets	216,667	0
	Goodwill	229,167	479,167
		10,257,460	10,148,444
7	**Property, plant and equipment**		
	Other fixtures and fittings, tools and equipment	21,883	13,599
		21,883	13,599
8	**Investments**		
	Investments in group entities, net asset value	3,411,888	0
		3,411,888	0
	Total fixed assets	13,691,231	10,162,043
	Non-fixed assets		
	Receivables		
	Trade receivables	4,587,999	4,175,260
	Receivables from group entities	823,885	987,284
	Other receivables	91,738	104,317
	Prepayments	105,419	233,143
		5,609,041	5,500,004
	Cash at bank and in hand	6,084,041	2,522,205
	Total non-fixed assets	11,693,082	8,022,209
	TOTAL ASSETS	25,384,313	18,184,252

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	138,888	125,000
	Reserve for development costs	2,616,369	0
	Retained earnings	5,880,927	-426,298
	Dividend proposed for the year	1,500,000	0
	Total equity	10,136,184	-301,298
	Provisions		
	Deferred tax	2,006,700	1,622,400
	Other provisions	355,439	0
	Total provisions	2,362,139	1,622,400
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
9	Subordinate loan capital	1,445,190	7,254,595
	Other payables	0	1,380,000
		1,445,190	8,634,595
	Current liabilities other than provisions		
9	Subordinate loan capital	824,044	714,957
	Trade payables	686,916	769,963
	Payables to group entities	97,116	0
	Other payables	2,362,637	1,659,695
	Deferred income	7,470,087	5,083,940
		11,440,800	8,228,555
	Total liabilities other than provisions	12,885,990	16,863,150
	TOTAL EQUITY AND LIABILITIES	25,384,313	18,184,252

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

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Reserve for development costs	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2015	125,000	0	-1,877,387	0	-1,752,387
Profit/loss for the year	0	0	1,660,515	0	1,660,515
Exchange adjustment	0	0	-209,426	0	-209,426
Equity at 1 January 2016	125,000	0	-426,298	0	-301,298
Capital increase	63,888	0	12,911,112	0	12,975,000
Capital reduction	-50,000	0	-3,950,000	0	-4,000,000
Profit/loss for the year	0	2,616,369	-2,896,704	1,500,000	1,219,665
Exchange adjustment	0	0	242,817	0	242,817
Equity at 31 December 2016	138,888	2,616,369	5,880,927	1,500,000	10,136,184

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 2016 has been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act.

Changes in accounting policies

Effective 1 January 2016, the Company has adopted act no. 738 of 1 July 2015. This implies changes in the recognition and measurement in the following areas:

1. Yearly reassessment of residual values of property, plant and equipment
2. Reserve for development costs

Re 1: In future, residual values of property, plant and equipment are subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment other than those relating to the Company's land. Consequently, the change is made in accordance with section 4 of the executive order on transitional provisions with future effect only as a change in accounting estimates with no impact on equity.

Re 2: An amount corresponding to development costs recognised are in future tied up in a special reserve under equity called "Reserve for development costs". The amount is tied up in a special reserve, which cannot be used to distribute dividend or cover losses. If the development costs recognised are sold or in some other way no longer form part of the Company's operations, the reserve will be dissolved or reduced by a transfer directly to distributable reserves under equity. If the recognised development costs are written down, part of the reserve for development costs must be reversed. The reversed portion corresponds to the write-down of the development costs. If a write-down of the development costs is subsequently reversed, the reserve for development costs must be re-established. The reserve for development costs is also reduced by amortisation charges. In doing so, the equity reserve will not exceed the amount recognised in the balance sheet as development costs.

None of the above changes impacts on the income statement or the balance sheet for 2016 or the comparative figures.

Apart from the above new and changed presentation and disclosure requirements, which follow from act. no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

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.

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, 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 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.

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.

Amortisation/depreciation

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

The cost for completed development projects and acquired intangible assets are amortised over the expected useful life.

Goodwill is amortised over the expected economic life of the asset, measured by reference to Management's experience in the individual business segments.

The basis of depreciation for other fixtures and fittings, tools and equipment is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

In case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

Completed development projects	5 years
Acquired intangible assets	5 years
Goodwill	5 years
Other fixtures and fittings, tools and equipment	3 years

Intangible assets as well as the amortisation method and period chosen should be reassessed regularly.

Income from investments in group entities

The item includes the Company'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 first part of 2016, the parent company, Elearningforce DK ApS, was covered by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. At the end of 2016, Elearningforce International ApS became the management company in its capacity as parent company for the subsidaries. 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.

During the first part of 2016, the parent company, Elearningforce DK ApS, was the management company for the joint taxation and consequently settled all corporation tax payments with the tax authorities. At the end of 2016, Elearningforce International ApS became the management company.

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.

Balance sheet

Intangible assets

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

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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 as 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 subsidiaries

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. Subsidiaries with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities 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 entity's deficit. Net revaluations of investments in subsidiaries are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

Newly acquired or formed entities are recognised in the financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised up to the date of disposal.

The purchase method of accounting is applied to corporate acquisitions, according to which the acquired entity identifiable assets and liabilities are measured at fair value at the date of acquisition. Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and, hence, the calculation of goodwill. Costs relating to restructuring decided by the acquiring entity must be recognised in the income statement. The tax effect of the restatement of assets and liabilities is taken into account.

Impairment of non-current 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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Prepayments

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

Cash and cash equivalents

Cash and cash equivalents comprise cash.

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.

Reserve for development costs

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividends or cover losses. The reserve will be reduced or dissolved if the recognised development costs are no longer part of the Company's operations by a transfer directly to the distributable reserves under equity.

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Joint taxation contribution payable and receivable is recognised in the balance sheet as "Income tax receivable" or "Income tax payable".

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 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. 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.

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	2016	2015
2	**Staff costs**		
	Wages/salaries	8,211,148	7,080,208
	Pensions	695,430	625,891
	Other social security costs	179,489	163,999
	Other staff costs	15,242	14,250
		9,101,309	7,884,348
	Average number of full-time employees	13	12
3	**Financial income**		
	Interest receivable, group entities	211,341	27,737
	Other interest income	3,157	837
	Exchange adjustments	0	169,547
	Exchange gain	80,202	360,137
		294,700	558,258

Financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK	2016	2015
4	**Financial expenses**		
	Interest expenses, group entities	0	203,500
	Other interest expenses	221,554	252,209
	Exchange adjustments	360,269	0
	Exchange losses	94,344	20,794
	Other financial expenses	112,500	112,500
		788,667	589,003
5	**Tax for the year**		
	Deferred tax adjustments in the year	309,896	527,200
	Change in tax rate	0	-10,800
		309,896	516,400

6 **Intangible assets**

DKK	Completed development projects	Acquired intangible assets	Goodwill	Total
Cost at 1 January 2016	18,933,080	0	1,250,000	20,183,080
Additions in the year	3,503,620	260,000	0	3,763,620
Cost at 31 December 2016	22,436,700	260,000	1,250,000	23,946,700
Impairment losses and amortisation at 1 January 2016	9,263,803	0	770,833	10,034,636
Amortisation in the year	3,361,271	43,333	250,000	3,654,604
Impairment losses and amortisation at 31 December 2016	12,625,074	43,333	1,020,833	13,689,240
Carrying amount at 31 December 2016	9,811,626	216,667	229,167	10,257,460

7 **Property, plant and equipment**

DKK	Other fixtures and fittings, tools and equipment
Cost at 1 January 2016	331,307
Additions in the year	13,570
Cost at 31 December 2016	344,877
Impairment losses and depreciation at 1 January 2016	317,708
Depreciation in the year	5,286
Impairment losses and depreciation at 31 December 2016	322,994
Carrying amount at 31 December 2016	21,883

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 2016	10,119
Exchange adjustment	-1,429
Additions in the year	3,327,755
Cost at 31 December 2016	3,336,445
Value adjustments at 1 January 2016	-10,119
Exchange adjustment	243,450
Share of the profit/loss for the year	326,687
Other adjustments, investments	-107,414
Reversal of prior year set of against receivables	-3,017,658
Investments with negative net asset value written down over receivables	2,285,058
Investments with negative net asset value tranferred to provisions	355,439
Value adjustments at 31 December 2016	75,443
Carrying amount at 31 December 2016	3,411,888

The total carrying amount comprise equity in associates, DKK 297 thousand, and goodwill amounting to DKK 3,115 thousand.

Investments with negative net asset value transferred to provisions amounts to DKK 355 thousand.

DKK	Domicile	Interest	Equity	Profit/loss
Subsidiaries				
Elearningforce UK Limited	London	100.00 %	-1,681,467	-373
Elearningforce Corporation	New York	100.00 %	-959,019	135,513
SLIP Holding ApS	Aarhus	100.00 %	296,882	216,089

9 Subordinate loan capital

DKK	Amount outstanding
Subordinate loan capital, Vækstfonden	2,269,234
	2,269,234

The Danish Fund for Industrial Growth (Vækstfonden) has granted subordinate loan capital of DKK 2,250. The loan carries interest at CIBOR + 14% per annum. The loan and interest accrued must be repaid within three years.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

10 Contractual obligations and contingencies, etc.

Other contingent liabilities

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 329 thousand) for the day-to-day operation of subsidiaries up to the end of 2017, corresponding to the subsidiaries' maximum budgeted cash requirements for 2017.

For a part of 2016, Elearningforce International ApS is jointly taxed with its parent company. The parent company is jointly taxed with its parent company, Elearningsforce 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 2016, 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.

For the last part of 2016, Elearningforce International ApS was jointly taxed with the group entity Slip Holding ApS. As management company, Elearningforce International ApS is jointly taxed with other Danish group entities and together with other jointly taxed group entities, the Company has joint and several liability for the payment of income taxes for the income year 2016 and onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 27 October 2016.

11 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.