ANNUAL REPORT 2016

Intelligent banker

Intelligent Banker ApS
Brandts Passage 29, 2. 5000 Odense C
CVR no. 32 26 00 55

ANNUAL REPORT 2016

Approved at the Company's annual general meeting on 31 May 2017.

Executive:

Torben Kopp Kristensen

Contents

Management's review

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Intelligent Banker ApS 1 January - 31 December 2016 for the financial year.

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 its 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.

Odense, 31 May 2017

Executive Board:

Torben Kopp Kristensen

Torben Kopp Kristensen,
Partner and CEO

Tommy Hummelmose,
Partner and Director

2016 has been a fantastic year for Intelligent Banker.

Each of our 25 curious and highly skilled team-players have done a great job growing and developing the company. Third time in a row Børsen Gazelle winner, EY Entrepreneur of the Year in the Region and nominated as one of Denmark´s best start-up businesses comes down to a dedicated team and a strong business model.

There is no doubt that our intelligent use of data for online marketing will be an epoch-making competetive tool for the coming years.

Independent auditors' report

TO THE SHAREHOLDERS OF INTELLIGENT BANKER APS

OPINION

We have audited the financial statements of Intelligent Banker 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 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 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 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 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 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 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.
- 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 disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

STATEMENT ON THE MANAGEMENT'S REVIEW

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on 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.

Odense, 31 May 2017

ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Søren Smedegaard Hvid
State Authorised
Public Accountant

Company details

Name	Intelligent Banker ApS
Address, zip code, city	Brandts Passage 29, 2. 5000 Odense C
CVR no.	32 26 00 55
Established	11 June 2009
Registered office	Odense
Financial year	1 January – 31 December
Websites	www.intelligentbanker.com
Executive Board	Torben Kopp Kristensen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, 5000 Odense C

Financial highlights for the Group

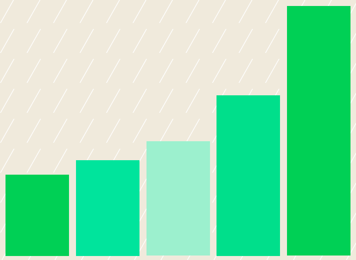
In DKK thousands

	2012	2013	2014	2015	2016
KEY FIGURES					
Revenue	17,812	21,045	25,120	35,325	54,901
Gross margin	6,183	5,445	7,380	11,708	13,353
Profit/loss from ordinary activities	3,162	2,162	3,356	6,433	7,936
Profit/loss from net financials	-781	-525	-810	-1,516	-1,786
Profit/loss for the year	2,381	1,637	2,546	4,917	6,150
EBITDA	3,197	2,202	3,398	6,458	7,963
Normalised EBITDA	3,197	2,202	3,398	6,524	8,328
Total assets	4,047	3,299	4,596	9,056	16,244
Property, plant and equipment	94	83	42	59	57
Equity	2,284	963	2,009	1,226	7,377
Non-current liabilities	5	4	2	1,104	2,270
Current liabilities	1,627	2,112	2,255	6,725	6,597
FINANCIAL RATIOS					
Operating margin	17.8%	10.3%	13.4%	18.2%	14.5%
Gross margin	34.7%	25.9%	29.4%	33.1%	24.3%
Rate of return/return of investment	115.9%	58.9%	85.0%	94.2%	63.9%
Equity ratio	56.4%	29.2%	43.7%	13.5%	46.8%
Average number of full-time employees	6	7	10	11	9

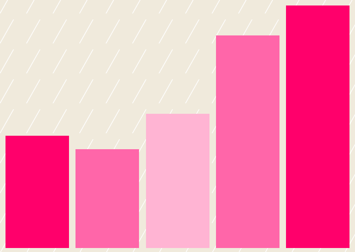
Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and Financial Ratios 2015". Further EBITDA and normalised EBITDA are added.

The financial highlights have been restated in accordance with the changes described in note 1 under Material misstatements.

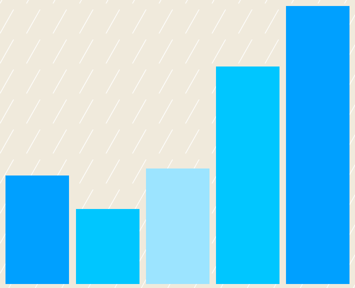
Revenue



Gross margin



Normalised EDITBA



Full-time employees

Financial highlights for the Group

The financial ratios stated under "Financial highlights" have been calculated as follows:

Profit margin

$$\frac{\text{Operating Profit (EBIT)} \times 100}{\text{Revenue}}$$

Gross margin

$$\frac{\text{Gross Profit} \times 100}{\text{Revenue}}$$

Rate of return/return on investment

$$\frac{\text{Operating Profit (EBIT)} \times 100}{\text{Total assets}}$$

Equity ratio

$$\frac{\text{Equity excl. non controlling interests, year end} \times 100}{\text{Total equity and liabilities, year end}}$$

EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortisation

Normalised EBITDA

EBITDA cleaned for non-recurring expenses or revenue

So far Intelligent Banker have marketing activities in 6 European countries

Management commentary

INTELLIGENT BANKER

Intelligent Banker has specialised in online marketing by using high-tech tools for data processing.

Intelligent Banker's principal activity is to operate various internet domains which are used for comparing financial products. Through Intelligent Banker's (IB's) comparison sites, sales leads are generated from the consumer which are passed on to the banks. For the moment, IB has activities and customer agreements with banks and financing institutions in six European countries and has passed on more than 300,000 sales leads in 2016.

Lead generating through comparison sites is a market in rapid growth. Intelligent and high-tech use of data through which the processing of data is translated into business knowledge, form the basis of IB's market and competitive advantage.

MANAGEMENT REPORTING

2016 was an exciting and a fantastic year for Intelligent Banker and we continued our financial growth rate, which started as early as 2009 when the Company was established. Although we operate in a market characterised by fierce competition, we generated revenue of DKK 54.9 million in 2016 and thus made an increase in revenue of 55% compared with 2015. We had budgeted for DKK 48 million and thereby revenue was up on budget by 14%. We strengthened our position and increased our revenue at our four core markets, Denmark, Sweden, Norway and Spain. In 2016, we obtained a profit of DKK 8,3 million, which is an increase of 28% compared with last year. Therefore, 2016 was an excellent year.

Our strong and dedicated team of 25 innovative employees are key to our achievements and they are the heart of Intelligent Banker. In 2016, we developed our business and the concepts that we market through the use of technology, which is on the leading edge internationally. This requires extremely professionally skilled employees who at the same time are curious and eager to make a difference.

Our growth and initiatives in the market were subject to great interest and we were praised in the media and won two awards. In November, we won EY Entrepreneur of the Year at Funen and were at the same time nominated as one of Denmark's threes growth businesses in the Start-up category. We received the third Børsen Gazelle award in a row, which is the highest number we have been able to achieve in our short lifetime. Our financial statements for 2016 will give us the fourth Børsen Gazelle award in 2017.

This year, we changed our name from the original Media Trust Online to Intelligent Banker. Through our new name, we wish to indicate that we focus on the financial sector. At the same time we wish to point out that future bank business will concentrate on intelligent use of Big Data, Machine Learning and algorithms. There has been a positive reaction to our change of name.

Bruno Østergaard Domazet,
IT- Developer

FINANCIAL HIGHLIGHTS FOR 2016

In 2016, Intelligent Banker reported revenue of DKK 54.9 million which is DKK 6.9 million up on budget. Compared with last year a growth of 55%. The increase in revenue is attributable to considerable investments in the marketing of the Company's comparison sites on the internet. More than 7 million users have thus found their way to our comparison sites in six countries. Altogether, IB has delivered more than 300,000 sales leads to the Company's customers. Since the establishment in 2009, growth in revenue has been positive every year. The past five years, IB has reported a three-digit increase in revenue or more.

Bottom-line results, EBITDA for 2016 totalled DKK 8,3 million. Earnings are thus up by 28% compared with the year before and the best ever. EBITDA also developed positively throughout the past five years.

The Company had 25 employees at the end of the year of which a considerable number are part-time students. The average number of full-time employees is 9 for 2016 which is two less than the year before and the first year during which the number decreased. Although the number of employes has decreased, IB has been able to increase revenue by 55% as various measures were taken in respect of automation and scaling.

Michael Sloth,
CIO Head of Project Management

BUSINESS REVIEW 2016

A number of exciting activities and events characterised the year under review which were to support IB's growth rate. Given a rapidly changing financial market with users that have high demands on digital solutions, with increased competition and technologies which may disrupt the industry, IB sees fantastic opportunities to leave their mark and to set the agenda going forward.

During 2016, IB has made several improvements in the underlying IT infrastructure, which is to form the basis of IT investments planned for 2017. A fully scalable infrastructure has been

Emil Kjær Sternberg,
General Manager

set up, the entire data structure has been optimised and a 100% cloud-based solution has been established.

During 2016, IB has taken active steps to identify and recruit talents with the core competencies that are decisive to the Company's continued growth. Experts in computer science and related fields are scarce, and therefore, IB is constantly in the market with alternative and creative ways of getting in touch with the best talents. In June, IB participated in an event at the Tinderbox festival, at which 10 enterprises had been selected to meet 40 candidates from educational institutions in Copenhagen and Odense, and in August IB participated in a Gamejam event in connection with Odense Film Festival, at which 20 gamers were to compete against each other on developing a game from the very beginning within 48 hours. The event took place at IB's premises. Both events added positively to the Company's position and new hires were found.

In 2016, IT established a cooperation with Athens University of Economics and Business, which is an expert in Machine Learning and Artificial Intelligence. The cooperation was established to add qualifications to the IT investments planned for 2017.

In the year under review, IB also won two prestigious awards; EY Entrepreneur of the Year at Funen in the "start-up" category, and at the same time, the Company was nominated to one of the three best growth businesses in Denmark within that same category. The same month, IB received the third Børsen Gazelle award in a row and has thus received the highest number of the Gazelle awards possible since the establishment of the Company. The financial statements for 2016 will moreover form the basis for IB receiving its fourth Børsen Gazelle award in a row.

USE OF HIGH-TECH IN THE ONLINE MARKET

OPTIMISED DATA TRAFFIC PURCHASES

To Intelligent Banker's comparison sites, the most important marketing channels in 2016 were Google, Facebook and Bing of which Google's paid advertising system, Google AdWords, is the absolute largest channel. This is in line with last year. This means that IB pays for the vast part of the internet traffic for each "click" which a user makes on an advertisement. Thus, Intelligent Banker pays for a customer visit immediately and assumes the full risk that the click in question might turn into income at a later point. The price paid for a click is constantly changing, and therefore, data

Average age

31

Nationalities

7

analyses are decisive for maintaining and improving our business foundation.

INCREASED SALES CONVERSIONS

The conversion from a visiting user to a sale is of course decisive. IB has thus applied a solution according to which each visitor is treated individually, and whereby a unique landing page is presented to each individual visitor. The landing page is thus to a very high extent adjusted to the visitor, which increases the conversion rate.

Intelligent Banker works towards a fully automated marketing platform for which state-of-the-art technologies are used to optimise the process. Data from all sources available are gathered each second, and used to analyse optimisation potential for the two most significant business parameters: Price for each "click" at Google and the personalised landing page presented to the user. This way of calculating optimisation potential requires the newest technology and also puts heavy demands on the underlying IT infrastructure. The built-up of a scaleable infrastructure and the implementation of a 100% cloud-based solution were important focus areas in 2016.

RECRUITMENT OF TECHNOLOGY EMPLOYEES

The most important factor for the continued development of Intelligent Banker's state-of-the-art marketing platform, is still the ability to recruit the best qualified development resources of the branch. 2016 was the year during which Intelligent Banker made a name for itself for good as a workplace at the forefront of developments in terms of technology and knowledge. And the level of knowledge is actually essential to the Company's ability to attract new employees.

Attracting the best talents also requires ongoing management efforts. In 2016, IB has used considerable resources to engage in several professional and industrial bodies, associations, online fora, etc. for the purpose of providing support to them in terms of knowledge-sharing and resources. Our involvement means that IB is now known within the industry and at the universities as an interesting company for which many people would like to work.

OUTLOOK 2017

2017 will be characterised by the implementation of considerable IT projects. The projects will basically create the transition from manual or semi-manual optimisation routines to a very high degree of automation and autonomy in our business procedures. 2017 will be the year in which algorithm and machine learning will take over several tasks and perform them faster and better than possible today by hand.

The transition to more self-contained systems

Diana Hooper,
Data Scientist, M.Sc.

Tommy Vestergaard Hansen,
Data Scientist M.Sc.

Viktor Ciappina,
IT-Developer

Kasper Madsen,
Data Scientist M.Sc. /PhD

will form a unique basis for expansion. The implementation is to take place concurrently with IB's expectations of continued revenue growth. In 2017, revenue is expected to reach DKK 61 million, which corresponds to an 11% growth compared with 2016. The increase in the growth rate is thus not as high as in 2015/16 following the heavy IT investments. In 2017, the Company expects to enjoy a positive result of DKK 2 million. The reduced growth compared with the year before thus reflects prioritised investments which are to generate even high growth rates in coming years.

Intelligent use of data for online marketing over the coming years will be an epoch-making competitive tool. The ability to translate data into business knowledge is one of the disciplines that will thrive market development in the years ahead. Within the coming 1-2 years, Intelligent Banker will have developed and implemented IT systems that are epoch-making for the way in which enterprises do online marketing.

EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred after the balance sheet date, which may affect the assessment of the Company's financial position.

Income statement

Note	DKK	2015	2016
	Revenue	**35,325,184**	**54,901,155**
	Cost of sales	**-22,472,917**	**-39,869,450**
	Other operating income	0	122,000
	Other external expenses	-1,151,439	-1,800,560
	Gross margin	**11,700,828**	**13,353,145**
2	Staff costs	-5,243,513	-5,390,309
	Amortisation, depreciation and impairment losses	-24,542	-26,974
	Operating profit/loss	**6,432,773**	**7,935,862**
3	Financial income	10,197	23,163
4	Financial expenses	-83,177	-72,273
	Profit/loss before tax	**6,359,793**	**7,886,752**
5	Tax for the year	-1,442,347	-1,736,531
	Profit/loss for the year	**4,917,446**	**6,150,221**
	Recommended appropriation of profit/loss		
	Dividend proposed for the year	0	4,400,000
	Extra-ordinarily dividend proposed for the year	5,000,000	0
	Reserve for development costs	0	2,019,650
	Transferred to reserves under equity	-82,554	-269,429
		4,917,446	**6,150,221**

Balance sheet

Note	DKK	2015	2016
	ASSETS		
	Fixed assets		
	Intangible		
6	Completed development projects	0	2,019,650
		0	2,019,650
	Non-current assets		
7	**Property, plant and equipment**		
	Fixtures and fittings, plant and equipment	49,635	33,536
	Property, plant and equipment under construction	9,357	23,483
		58,992	57,019
	Financial assets		
8	Investments in subsidiaries	68,464	314,464
		68,464	314,464
	Non-fixed assets		
	Receivables		
	Trade receivables	6,333,704	11,306,518
	Receivables from group enterprises	145,681	12,454
	Corporation tax receivable	34,585	477,122
	Other receivables	44,285	54,909
	Prepayments	250,000	263,500
		6,808,255	12,114,503
	Cash	**2,119,967**	**1,737,887**
	Total non-fixed assets	**8,298,222**	**13,852,390**
	TOTAL ASSETS	**9,055,678**	**16,243,523**

Balance sheet

Note	DKK	2015	2016
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	125,000	125,000
	Profit and loss account	1,101,473	832,044
	Reserve for development costs	0	2,019,650
	Dividend proposed for the year	0	4,400,000
	Total equity	**1,226,473**	**7,376,694**
	Non-current liabilities		
	Deferred tax	1,104,314	2,269,967
	Total non-current liabilities	**1,104,314**	**2,269,967**
	Current liabilities		
	Trade payables	2,226,553	4,375,844
	Payables to group entities	2,850,058	0
	Other payables	1,648,280	2,221,018
	Total current liabilities	**6,724,891**	**6,596,862**
	Total liabilities	**6,724,891**	**6,596,862**
	TOTAL EQUITY AND LIABILITIES	**9,055,678**	**16,243,523**

10 Contractual obligations and contingencies, etc.
11 Mortgages and collateral
12 Related parties

Statement of changes in equity

DKK	Share capital	Profit and loss account	Reserve for development costs	Dividend proposed for the year	Extraordinarily dividend propo-sed for the year	Total
Equity at 31 December 2014	125,000	14,027	0	700,000	0	**839,027**
Adjustment of equity through corrections of errors	0	1,170,000	0	0	0	**1,170,000**
Equity at 1 January 2015	125,000	1,184,027	0	700,000	0	**2,009,027**
Dividend distribution	0	0	0	-700,000	-5,000,000	**-5,700,000**
Transfer, see "Appropriation of profit/loss"	0	-82,554	0	0	5,000,000	**4,917,446**
Equity at 1 January 2016	125,000	1,101,473	0	0	0	**1,226,473**
Dividend distribution	0	0	0	0	0	**0**
Transfer, see "Appropriation of profit/loss"	0	-269,426	2,019,650	4,400,000	0	**6,150,221**
Equity at 31 December 2016	125,000	832,044	2,019,650	4,400,000	0	**7,376,694**

Notes

1 Accounting policies

The annual report of Intelligent Banker ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

1. Dividend from investments in subsidiaries
2. Yearly reassessment of residual values of property, plant and equipment
3. Reserve for development costs

Re 1: Dividend from investments in subsidiaries must always be recognised in the income statement going forward. If the carrying amount of the net assets of subsidiaries exceeds cost, or if dividend exceeding the profit for the year is distributed, there will be evidence of impairment, meaning that an impairment test must be conducted. Previously, dividend exceeding the subsidiary's accumulated earnings would be set off against cost.

Re 2: In future, residual values of property, plant and equipment will be 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 with future effect only as a change in accounting estimates with no impact on equity.

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

Re 3: 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.

In addition, the Company has decided to present its balance sheet in horizontal format where non-current and current assets and liabilities are broken down and comparative figures for 2015 are restated.

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. With the exceptions of the development costs which is activities in 2016, this as an effect of 2 mio. on the equity before taxes

MATERIAL MISSTATEMENTS

Material misstatements have been identified in the financial statements for the period 2012-2015. The errors relate to the completeness and accuracy of revenue, direct costs, receivables and deferred tax.

The errors have been restated in the financial highlights, in the balance sheet, income statement and in the notes. The errors have the following impact on the comparative figures for 2015:

Notes

/ Revenue is overestimated by DKK 3.0 million (revenue is attributable to previous years)

/ Direct costs are overestimated by DKK 1.5 million (costs are attributable to previous years)

/ Current tax and deferred tax are underestimated by DKK 0.3 million (relate to previous years)

/ Equity at 31 December 2015 is not affected by the restatement as the issues only relate to previous years' periods.

FOREIGN 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 rate at the transaction date and the rate 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 closing rates. 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.

Non-current assets acquired in foreign currency are measured at the exchange rate at the transaction date.

INCOME STATEMENT

REVENUE

Income from the sale of goods, including sale of semi-manufactured goods to the wood industry and trade in wood, is recognised in revenue when the most significant rewards and risks have been transferred to the buyer and provided the income can measured reliably and payment is expected to be received. The date of the transfer of the most significant rewards and risks is based on standardised terms of delivery based on Incoterms® 2010.

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. In so far as customers are offered a right of return in connection with a sale, revenue corresponding to the Company's experience with returns is recognised. In cases where the Company has no experience from similar transactions, no revenue is recognised until the return period has expired.

OTHER OPERATING INCOME

Other operating income comprises items secondary to the Company's activities, including rental income from temporary renting-out of production facilities.

OTHER EXTERNAL EXPENSES

Other external expenses comprise expenses relating to distribution, sale, advertising, administration, premises, bad debts, operating leases, etc.

STAFF COSTS

Staff costs comprise wages and salaries, including holiday allowance and pensions, and other social security costs, etc., for the Company's employees. Refunds received from public authorities are deducted from staff costs.

AMORTISATION/DEPRECIATION AND IMPAIRMENT

The item comprises amortisation/depreciation, development costs and property, plant and equipment.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses comprise interest income and expense, charges in respect of

Notes

finance leases, realised and unrealised gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.
Dividend from investments in subsidiaries is recognised in the income statement in the year of declaration. Distributions of dividend where the dividend exceeds the profit for the year or where the carrying amount of the Company's investments in the subsidiary exceeds the carrying amount of the subsidiary's net asset value will be evidence of impairment, meaning that an impairment test must be conducted.

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 parent company after full elimination of intra-group profits/losses.
The proportionate share of the results after tax of the associates is recognised in both the consolidated and the parent company income statement after elimination of the proportionate share of intra-group profits/gains.

TAX FOR THE YEAR

Tax for the year comprises current tax for the year and changes in deferred tax. 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. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

BALANCE SHEET

INTANGIBLE ASSETS

DEVELOPMENT PROJECTS

Development costs comprise costs, salaries and amortisation directly or indirectly attributable to devel-opment 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 and administrative expenses and development costs. Other devel¬opment costs are recognised in the income statement when incurred.
Development costs that are 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 3-5 years.
Gains and losses on the disposal of development projects are determined as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

PROPERTY, PLANT AND EQUIPMENT

On initial recognition, items of property, plant and equipment are measured at cost.
Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation. Land is not depreciated.
The basis of depreciation is based on the residual value of the asset at the end of its useful

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life 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.
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.
Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Production overheads and borrowing costs are not included in cost.
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.
Depreciation is provided on a straight-line basis over the expected useful lives of the assets, which are as follows:

Property, plant and equipment under construction: **5 years**

Fixtures and fittings, plant and equipment: **4 years**

Gains and losses on the disposal of intangible assets are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating expenses, respectively.

INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries and associates are measured according to the equity method.
Investments in subsidiaries and associates are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the purchase method of accounting.
Investments in subsidiaries and associates with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such entities are written down in so far as the amount receivable is considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.
Net revaluation of investments in subsidiaries and associates is recognised in the reserve for net revaluation according to the equity method in equity where the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be declared before the annual report of Intelligent Banker ApS is adopted are not taken to the net revaluation reserve.
The purchase method of accounting is applied to corporate acquisitions, see the above description under "Consolidated financial statements".

IMPAIRMENT OF NON-CURRENT ASSETS

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries is tested annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation.
Impairment tests are conducted on individual assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).
The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is determined as the present value

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of the anticipated net cash flows from the use of the asset or group of assets.

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

RECEIVABLES

Receivables are measured at amortised cost.

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

Receivables with no objective indication of individual impairment are assessed 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 credit risk management policy. The objective indicators used for portfolios are 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 comprise costs incurred concerning subsequent financial years.

EQUITY

DIVIDEND

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

INCOME TAX AND DEFERRED TAX

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and 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 base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured 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 legal tax entity. Any deferred net assets are measured at net realisable values.

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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

LIABILITIES

Financial liabilities comprising amounts owed to credit institutions, trade payables and payables to group enterprises are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Notes

	DKK	2015	2016
2	**Staff costs**		
	Wages and salaries	4,879,470	6,974,625
	Other staff cost	294,164	352,348
	Staff cost transferred to non-current assets	0	-2,019,650
	Other social security costs	69,879	82,986
		5,243,513	5,390,309
	Average number of full-time employees	11	9
3	**Financial income**		
	Other interest income	4,284	3,240
	Foreign exchange adjustments	5,913	19,923
		10,197	23,163
4	**Financial expenses**		
	Interest expenses, subsidiaries	7,651	20,063
	Value adjustment of other securities and investments	71,784	48,872
	Other interest expenses	3,742	3,338
		83,177	72,273
5	**Tax for the year**		
	Estimated tax on the taxable income for the year	339,915	570,878
	Adjustment of the deferred tax charge for the year	1,102,432	1,165,653
		1,442,347	1,736,531

Notes

6 Intangible assets

DKK	Completed development projects
Cost at 1 January 2016	0
Additions	2,019,650
Cost at 31 December 2016	2,019,650
Amortisation and impairment losses at 1 January 2016	0
Amortisation	0
Amortisation and impairment losses at 31 December 2016	0
Carrying amount at 31 December 2016	2,019,650

7 Property, plant and equipment

DKK	Plant and machinery	Fixtures and fittings, plant and equipment	Total
Cost at 1 January 2016	29,800	215,564	245,364
Additions	25,000	0	25,000
Disposals	0	0	0
Cost at 31 December 2016	54,800	215,564	270,364
Depreciation and impairment losses at 1 January 2016	20,443	165,929	186,372
Depreciation	10,874	16,099	26,973
Depreciation, assets disposed of	0	0	0
Depreciation and impairment losses at 31 December 2016	31,317	182,028	213,345
Carrying amount at 31 December 2016	23,483	33,536	57,019

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8 Investments in subsidiaries

	2016
Cost at 1 January	68,464
Additions	246,000
Disposals	0
Cost at 31 December	314,464
Value adjustments at 1 January	0
Value adjustments in the year	0
Value adjustments at 31 December	0
Carrying amount at 31 December	314,464

Investments in subsidiaries

Key figures for the Company's subsidiary at 31 December 2016:

Name and registered office (DKK)	Ownership interest	Equity	Profit/loss for the year
Moore Credit Ltd., Great Britain	100 %	9	0
Taylor Finance Ltd., Great Britain	100 %	9	0
Worsan ApS, Denmark	100 %	37,235	-4,716
Nordic Banker GmbH, Germany	100 %	190,000	0
Fairbanker AB, Sweden	100 %	50,000	0

9 Share capital

Analysis of changes in the share capital over the past five years:

DKK	2012	2013	2014	2015	2016
Balance at 1 January	125,000	125,000	125,000	125,000	125,000
Balance at 31 December	125,000	125,000	125,000	125,000	125,000

Notes

10 Contractual obligations and contingencies, etc.

Contingent liabilities

Rent liabilities include a rent obligation totalling DKK 102,419.

The Company is jointly taxed with its subsidiary, Worsan ApS. As management company, the Company has joint and several unlimited liability with Worsan ApS for payment of Danish income taxes. The jointly taxed entities' known net income tax liability at 31 December 2016. Any subsequent corrections of the joint taxation income may entail that the Company's liability will increase.

11 Mortgages and collateral

None

12 Related parties

Intelligent Banker ApS related parties comprise the following:

Parties exercising control

Tk Management ApS, Hegnslyst 11, 5683 Haarby, Danmark, 50%

Nordisk Invest ApS, Lahnsgade 78, 5000 Odense C, Danmark, 50%

Staff