ANNUAL REPORT 2017

Intelligentbanker

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

ANNUAL REPORT 2017

Approved at the Company's annual general meeting on 8. maj 2018.

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 2017 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 2017 and of the results of its operations for the financial year 1 January – 31 December 2017.

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, 8. maj 2018

Executive Board:

Torben Kopp Kristensen

Torben Kopp Kristensen,
Partner and CEO

Tommy Hummelmose,
Partner and Director

We experienced our 8th consecutive year with growth

2017 has been a good year for Intelligent Banker. We have made heavy investments in our IT-infrastructure and platform but at the same time managed to grow our revenue for the 8th consecutive year.

Our highly qualified and committed employeees has, with intelligent use of Big Data and cutting-edge technology in our online marketing business model, been the driver to our continuous growth.

Looking into 2018 we are well-positioned for the intensified competition in the market where it is essential to be at the technological forefront.

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 2017, which comprise 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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

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.

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 as to 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 scepticism throughout the audit. We also:

/ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the 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 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 the work we have performed, 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 Statements Act. We did not identify any material misstatement of the Management's review.

Odense, 8. maj 2018

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

Søren Smedegaard Hvid
State Authorised
Public Accountant
MNE-nr. 31450

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

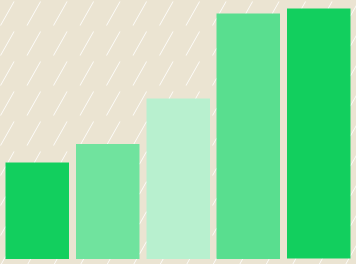
Financial highlights for the Group

In DKK thousands

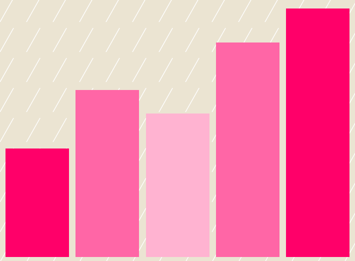
	2017	2016	2015	2014	2013
KEY FIGURES					
Revenue	55,134	54,901	35,325	25,120	21,045
Gross margin	8,018	13,353	11,708	7,380	5,445
Profit/loss from ordinary activities	3,264	7,936	6,433	3,356	2,162
Profit/loss from net financials	-1,051	-1,786	-1,516	-810	-525
Profit/loss for the year	2,259	6,150	4,917	2,546	1,637
EBITDA	3,701	7,963	6,458	3,398	2,202
Normalised EBITDA	3,938	8,328	6,524	3,398	2,202
Total assets	18,313	16,244	9,056	4,596	3,299
Property, plant and equipment	129	57	59	42	83
Equity	5,236	7,377	1,226	2,009	963
Non-current liabilities	2,257	2,270	1,104	2	4
Current liabilities	10,820	6,597	6,725	2,255	2,112
FINANCIAL RATIOS					
Operating margin	5.9%	14.5%	18.2%	13.4%	10.3%
Gross margin	14.5%	24.3%	33.1%	29.4%	25.9%
Rate of return/return of investment	18.9%	62.7%	94.2%	85.0%	58.9%
Equity ratio	28.6%	45.4%	13.5%	43.7%	29.2%
Average number of full-time employees	12	13	10	7	6

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.

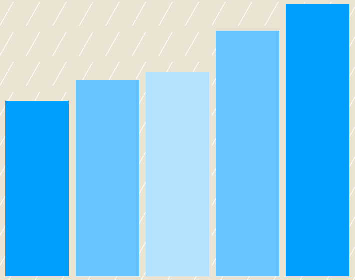
Revenue



Visitors



Client campaigns



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 2017.

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

Intelligent Banker has created growth for the 8th consecutive year, and made a profit better than expected.

We consolidated our position in each of our four principal markets - Denmark, Sweden, Norway and Spain, and our customer find that we are among the absolute leading and most innovative cooperative partners. We are looking to develop our business in new markets for example Germany and UK as potentials here are very large.

2017 has been a busy year for Intelligent Banker, during which we were to aim at finalizing major rearrangements and improving of our IT platform. We achieved this aim successfully and here at the beginning of 2018, we are well positioned for the intensified competition in the market where it is essential to be at the technological forefront.

Despite heavy investments, we succeeded in increasing our revenue and reported a profit that was better than expected. Revenue totalled DKK 55.1 million in 2017, which is a marginal improvement compared to the year before. Profit before tax was DKK 2.3 million, which is DKK 0.3 million higher than expected at the beginning of the year. EBITDA ended at DKK 3.9 million. Therefore, despite intensified competition in the market and a year characterized by the development of our IT platform, we succeeded in maintaining our revenue and thereby reporting results of operation, which are 15% up on expectations. Therefore, the profit for the year is satisfactory.

Competition for highly qualified and committed employees with core competencies within Big Data, serverless technology and online marketing is immense and also in 2017, Intelligent Banker made heavy investments in this area to ensure that the company in every way stands as an attractive and dynamic workplace with room for differences of opinion and with plenty of opportunities for professional and personal development. In 2017, we received the fourth Børsen Gazelle-award in a row, and considering our 2017 financial statements, we will receive the fifth Gazelle-award this autumn. Therefore, we are well-positioned for the intensified competition in the markets and for continuing our growth in the coming years.

FINANCIAL HIGHLIGHTS FOR 2017

In 2017, we generated revenue of DKK 55.1 million, corresponding to an increase in revenue for the eighth year in a row. And a tripling of revenue in five years. Revenue growth in 2017 was, however, marginal, due to heavy investments in and focus on the development of our IT infrastructure and platform. Through our online marketing efforts totalling DKK 45 million, IB has attracted more than 7 million users to the company's comparison sites and thereby generated more than 300,000 leads - the highest number ever. In 2017, IB reported EBITDA of DKK 3.9 million, which is up on our expectations at the beginning of the year. The number of employees increased to 25 at the end of the year; however, the vast part thereof are part-time students, and the average number of full-time employees is thus 12 for 2017, which is one less than the year before.

BUSINESS REVIEW 2017

2017 was characterized by several exiting activities and events in a rapidly changing market with fierce competition, more and more players and users who place increasing demands on user-friendliness.

MOBILE FIRST

In 2017, IB focused on developing and optimizing our mobile comparison sites. Users increasingly use their smart phones to visit our comparison sites, and in 2017, 60% used their smart phone to visit our sites - a share that we expect only to increase in the coming years. Therefore, we work under the concept "Mobile First" to develop our sites and user interfaces to make them as attractive and simple as possible to future mobile users.

E-MAIL AND SMS MARKETING

This year, IB also focused on intensifying its marketing of financial messages through e-mail and SMS to users who have asked IB to forward offers in that regard beforehand.

Emil Steinberg
Generel Manager

SCALABLE IT PLATFORM

In 2017 all business processes were made scalable and prepared for further growth. Our entire IT infrastructure and platform are now state of the art, which is a decisive competitive advantage in a market that is driven by technology.

EFFICIENCY

In the year under review, IB made several internal and system-related efficiency improvements, which allow us to handle far more customers, campaigns and countries much fa-

Rune Mark Rasmussen
Full Stack Developer

ster and more efficiently in the future. Those improvements also mean that our overview of business efforts has increased considerably.

BØRSEN GAZELLE

In the autumn 2017, IB received the fourth Børsen Gazelle-award in a row, and has now received the highest number of Gazelle-awards possible since the establishment of the entity. Also the 2017 financial statements seem to form the basis for IB's fifth Børsen Gazelle-award in a row.

SERVERLESS COMPUTING

2017 was the year during which Intelligent Banker rearranged the IT infrastructure from traditional dedicated server-based services to the new cutting edge technology Serverless. In the year, all revenue generating services were rearranged to serverless technology. This means that Intelligent Banker will gain considerable competitive advantages in the coming years. Serverless computing is a type of cloud service where the hosting provider allocates adequate resources for you on the fly rather than making you pay for dedicated servers or capacity in advance. Serverless computing is the next phase in the evolution of IaaS (Infrastructure-as-a-Service). It completely abstracts the underlying infrastructure from developers and essentially virtualizes runtime and operational management. Oftentimes called FaaS (Function-as-a-Service), serverless architecture lets Intelligent Banker execute a given task without worrying about servers, virtual machines, or the underlying compute resources. There are a few clear advantages in the adoption of serverless technology:

SPEED – Less code and more speed. Developers can iterate and move faster using FaaS (Function-as-aService), employing services, and applying serverless patterns and architectures (such as making thicker front ends and allowing them to communicate with services directly). Moving most of the code base to the front end and not having a large middle tier will result in much more speed.

AGILITY – Since developers are not deploying, managing, or scaling servers when using Serverless, Intelligent Banker is able to abandon infrastructure administration. This dramatically decreases operational overhead.

Average age

28

Nationalities

7

SCALABILITY – A big advantage of Serverless is the scalability it enables. Serverless applications can quickly, seamlessly, and automatically scale up to accommodate spikes in traffic; conversely, these applications also automatically scale down when there are fewer concurrent users.

BILLING MODEL – When using serverless platforms, Intelligent Banker pays only for the milliseconds of computation that we use. Serverless architecture introduces a true pay-per-usage model, where customers pay only for the CPU cycles spent when executing a given function. This billing model is one of the core principles of serverless computing, and makes it ideal for microservices that have small load requirements and for applications with a "spikey" traffic profile.

SECURITY – Serverless architecture provides security benefits. Because Intelligent Banker is no longer managing servers, DDoS attacks are considerably less threatening for the health and availability of our system, and the automatic scaling capabilities of the serverless functions help mitigate risk from this type of attack.

BIG DATA AS A BUSINESS DRIVER

In the year under review, Intelligent Banker has expanded its range of technological tools from which information on market and customers can be extracted and used for business purposes. The use of Big Data has become an essential part of everyday life where all business decisions are based on objective knowledge derived from collected data.

The Big Data tools used by Intelligent Banker focus on the individual elements in the business processes. From pricing of advert clicks in Google, Facebook or Bing to an assessment of the correct visualization of campaigns on our media, tools will have been developed for all levels of the process, which, based on data, can optimise each individual step of the business process. In 2017, the tools were also expanded to include optimisation of e-mail dispatches and SMS (mobile text messages).

In addition to the optimisation of the business processes, Big Data is also used for financial monitoring of the Company's finances in general. Through the Big Data tools, the handling of the existing markets has become far more easy and time-saving which is a precondition for growth going forward.

Roraima Dia
Assistant

Peter Bork Nielsen
System Developer

Tommy Vestergaard Hansen
Data Scientist

Victor Ciappina
Software Developer

OUTLOOK 2018

Entering 2018, Intelligent Banker is well prepared for a year during which several of the newly developed technological tools are ready and will form part of the daily operations. The tools will strengthen the Company's financial success and entail that Intelligent Banker keeps its position as one of the leading entities within on-line distribution of financial products. We expect to enjoy a continued growth in our revenue and a moderate increase in staff costs which will result in a strong development in the entity's results of operation. Revenue is expected to grow further in 2018 and based on the technological efficiency improvements, results of operation for 2018 are expected to improve correspondingly. Using Big Date in the daily operations and utilizing the technological platform that the entity has established in 2017, will ensure continued growth and efficient operation of the Company.

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	2017	2016
	Revenue	**55,133,862**	**54,901,155**
	Cost of sales	**-45,465,710**	**-39,869,450**
	Other operating income	0	122,000
	Other external expenses	-1,650,202	-1,800,560
	Gross margin	**8,017,950**	**13,353,145**
2	Staff costs	-4,316,452	-5,390,309
	Amortisation, depreciation and impairment losses	-437,091	-26,974
	Operating profit/loss	**3,264,407**	**7,935,862**
3	Financial income	72,203	23,163
4	Financial expenses	-437,941	-72,273
	Profit/loss before tax	**2,898,669**	**7,886,752**
5	Tax for the year	-639,310	-1,736,531
	Profit/loss for the year	**2,259,359**	**6,150,221**
	Recommended appropriation of profit/loss		
	Dividend proposed for the year	1,500,000	4,400,000
	Reserve for development costs	1,575,453	2,019,650
	Transferred to reserves under equity	-816,094	-269,429
		2,259,359	**6,150,221**

Balance sheet

Note	DKK	2017	2016
	ASSETS		
	Fixed assets		
	Intangible		
6	Completed development projects	4,155,954	2,019,650
		4,155,954	**2,019,650**
	Non-current assets		
7	**Property, plant and equipment**		
	Fixtures and fittings, plant and equipment	16,575	23,482
	Leasehold improvements	112,148	33,537
		128,723	**57,019**
	Financial assets		
8	Investments in subsidiaries	314,464	314,464
		314,464	314,464
	Total fixed assets	**4,599,141**	**2,391,133**
	Non-fixed assets		
	Receivables		
	Trade receivables	11,011,695	11,306,518
	Receivables from group enterprises	29,193	12,454
	Corporation tax receivable	0	477,122
	Other receivables	45,598	54,909
	Prepayments	0	263,500
		11,086,486	**12,114,503**
	Cash	**2,627,828**	**1,737,887**
	Total non-fixed assets	**13,714,314**	**13,852,390**
	TOTAL ASSETS	**18,313,455**	**16,243,523**

Balance sheet

Note	DKK	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
9	Share capital	125,000	125,000
	Reserve for development costs	3,595,103	2,019,650
	Retained earnings	15,950	832,044
	Dividend proposed for the year	1,500,000	4,400,000
	Total equity	**5,236,053**	**7,376,694**
	Non-current liabilities		
	Deferred tax	2,257,461	2,269,967
	Total non-current liabilities	**2,257,461**	**2,269,967**
	Current liabilities		
	Trade payables	1,822,451	4,375,844
	Payables to group companies	5,642,574	0
	Payables to associated companies	999,937	0
	Corporation tax payable	353,816	0
	Other payables	2,001,163	2,221,018
	Total current liabilities	**10,819,941**	**6,596,862**
	Total liabilities	**10,819,941**	**6,596,862**
	TOTAL EQUITY AND LIABILITIES	**18,313,455**	**16,243,523**

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

Statement of changes in equity

DKK	Share capital	Reserve for develop-ment costs	Retained earnings	Dividend proposed	Total
Equity at 1 January 2016	125,000	0	1,101,473	0	**1,226,473**
Transfer through appropriation of profit	0	2,019,650	-269,429	4,400,000	**6,150,221**
Equity at 1 January 2017	125,000	2,019,650	832,044	4,400,000	**7,376,694**
Transfer through appropriation of profit	0	1,575,453	-816,094	1,500,000	**2,259,359**
Dividend distributed	0	0	0	-4,400,000	-4,400,000
Equity at 31 December 2017	125,000	3,595,103	15,950	1,500,000	**5,236,053**

Notes

1 Accounting policies

The annual report of Intelligent Banker ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

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 finance leases, realised and unrealised gains and losses on securities, payables and transac-

Notes

tions 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 development 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.

Notes

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 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

Notes

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 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.

Notes

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	2017	2016
2	**Staff costs**		
	Wages and salaries	6,450,723	6,974,625
	Other staff cost	232,314	352,348
	Staff cost transferred to non-current assets	-2,466,500	-2,019,650
	Other social security costs	99,915	82,986
		4,316,452	5,390,309
	Average number of full-time employees	12	13
3	**Financial income**		
	Other interest income	0	3,240
	Foreign exchange adjustments	72,203	19,923
		72,203	23,163
4	**Financial expenses**		
	Interest expenses, subsidiaries	0	20,063
	Value adjustment of other securities and investments	436,695	48,872
	Other interest expenses	1,246	3,338
		437,941	72,273
5	Tax for the year		
	Estimated tax on the taxable income for the year	651,816	570,878
	Adjustment of the deferred tax charge for the year	-12,506	1,165,653
		639,310	1,736,531

Notes

6 Intangible assets

DKK	Completed development projects
Cost at 1 January 2017	2,019,650
Additions	2,540,234
Cost at 31 December 2017	4,559,884
Amortisation and impairment losses at 1 January 2017	0
Amortisation	403,930
Amortisation and impairment losses at 31 December 2017	403,930
Carrying amount at 31 December 2017	4,155,954

7 Property, plant and equipment

DKK	Fixtures and fittings, plant and equipment	Leasehold improvements	Total
Cost at 1 January 2017	54,800	215,564	270,364
Additions	0	104,865	104,865
Cost at 31 December 2017	54,800	320,429	375,229
Depreciation and impairment losses at 31 December 2017	31,318	182,027	213,345
Depreciation	6,907	26,254	33,161
Impairment losses and depreciation at 31 December 2017	38,225	208,281	246,506
Carrying amount at 31 December 2017	16,575	112,148	128,723
Depreciated over	5 years		

Notes

8 Investments in subsidiaries

	2017
Cost at 1 January	314,464
Cost at 31 December	314,464
Carrying amount at 31 December	314,464

Investments in subsidiaries

Key figures for the Company's subsidiary at 31 December 2017:

Name and registered office (DKK)	Ownership interest	Equity	Profit/loss for the year
Moore Credit Ltd., Great Britain	100 %	10,932	10,932
Taylor Finance Ltd., Great Britain	100 %	23,324	23,324
Worsan ApS, Denmark	100 %	47,514	10,729
Nordic Banker GmbH, Germany	100 %	190,000	0
Nordic Global Commerce AB, Sweden	100 %	25,280	-24,720

9 Share capital

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

DKK	2017	2016	2015	2014	2013
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 103,000.

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 2017. 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