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Insurance Business Applications ApS

Gammel Kongevej 1, 4
1610 Copenhagen V
Central Business Registration No
33361319

Annual report 2016

The Annual Generel Meeting adopted the annual report on 30.05.2017

Chairman of the annual General Meeting

Name: Steen Rode

Contents

Entity details

Entity
Insurance Business Applications ApS
Gammel Kongevej 1, 4
1610 Copenhagen V

Central Business Registration No: 33361319
Registered in: Copenhagen
Financial year: 01.01.2016 - 31.12.2016

Board of Directors
Ole Skov, Chairman
Anders Engdal
Thomas Weilby Knudsen

Executive Board
Anders Engdal

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
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0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Insurance Business Applications ApS for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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

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

Copenhagen, 30.05.2017

Executive Board

Anders Engdal

Board of Directors

Ole Skov Chairman	Anders Engdal	Thomas Weilby Knudsen

Independent auditor's report

To the shareholders of Insurance Business Applications ApS

Opinion

We have audited the financial statements of Insurance Business Applications ApS for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exits. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

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

Independent auditor's report

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

Copenhagen, 30.05.2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Keld Juel Danielsen
State Authorised Public Accountant

Management commentary

Primary activities
The Group's primary activity consists of development, marketing and sale of an insurance platform and software.

The Group's products and services are developed for the purpose of facilitating our customers to act in the insurance industry. The products and services make it possible for our customers to very fast create, launch and adjust insurance products and services in any market.

Development in activities and finances
The Group continued the strong momentum from 2015 and made significant progress in 2016 with growth in sales, revenue and number of customers and partners.

The progress is expected to continue with same speed in 2017 and the management expects significant growth in revenues for the whole of 2017.

To support the strong growth, the Group is investing heavily in the IBSuite insurance platform to expand functionalities and ROI of our customers.

This year's annual report shows a loss of TDKK 18.421, which is in line with the Group's long term goals.

Some employees have received warrants in the company. The value of the share options is not recognized in annual report.

Events after the balance sheet date
No events have occurred after financial year-end, which make changes in the shown figures and relationships in the income statement and the balance sheet.

Outlook
The shareholders have in the beginning of 2017 continued to support the company financially by subscribing to new shares for totally TDKK 18,182 to secure the group's international growth plans.

The Company expects continued growth, increase of geographical footprint and continued investment in both R&D and penetrating new markets in 2017.

Income statement for 2016

	Notes	2016 DKK	2015 DKK'000
Gross profit		**5.655.833**	**13.846**
Staff costs	1	(22.639.110)	(13.487)
Depreciation, amortisation and impairment losses		(4.651.851)	(3.874)
Operating profit/loss		**(21.635.128)**	**(3.515)**
Other financial income		80.474	86
Other financial expenses		(1.241.254)	(538)
Profit/loss before tax		**(22.795.908)**	**(3.967)**
Tax on profit/loss for the year	2	4.375.286	265
Profit/loss for the year		**(18.420.622)**	**(3.702)**
Proposed distribution of profit/loss			
Retained earnings		(18.420.622)	(3.702)
		(18.420.622)	**(3.702)**

Balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK'000
Completed development projects		12.579.702	11.885
Intangible assets	3	**12.579.702**	**11.885**
Other fixtures and fittings, tools and equipment		105.643	377
Property, plant and equipment	4	**105.643**	**377**
Deposits		283.188	195
Fixed asset investments	5	**283.188**	**195**
Fixed assets		**12.968.533**	**12.457**
Trade receivables		5.635.607	6.533
Contract work in progress		0	373
Deferred tax		2.000.000	2.001
Other receivables		543.385	0
Income tax receivable		2.000	0
Prepayments		631.602	983
Receivables		**8.812.594**	**9.890**
Cash		**1.956.791**	**4.775**
Current assets		**10.769.385**	**14.665**
Assets		**23.737.918**	**27.122**

Balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK'000
Contributed capital	6	112.088	108
Reserve for development expenditure		3.447.522	0
Retained earnings		(11.266.866)	7.105
Equity		**(7.707.256)**	**7.213**
Deferred tax		0	2.375
Other provisions		7.019.006	0
Provisions		**7.019.006**	**2.375**
Debt to other credit institutions	7	13.743.781	5.100
Non-current liabilities other than provisions		**13.743.781**	**5.100**
Current portion of long-term liabilities other than provisions		0	1.050
Bank loans		210.417	67
Prepayments received from customers		4.478.707	2.716
Contract work in progress		0	3.894
Trade payables		3.735.146	1.529
Other payables		2.258.117	3.050
Deferred income		0	128
Current liabilities other than provisions		**10.682.387**	**12.434**
Liabilities other than provisions		**24.426.168**	**17.534**
Equity and liabilities		**23.737.918**	**27.122**
Contingent liabilities	8		

Statement of changes in equity for 2016

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	108.000	0	(2.404.623)	(2.296.623)
Changes in accounting policies	0	0	9.510.005	9.510.005
Adjusted equity, beginning of year	**108.000**	**0**	**7.105.382**	**7.213.382**
Increase of capital	4.088	0	3.495.896	3.499.984
Profit/loss for the year	0	3.447.522	(21.868.144)	(18.420.622)
Equity end of year	**112.088**	**3.447.522**	**(11.266.866)**	**(7.707.256)**

Notes

	2016 DKK	2015 DKK'000
1. Staff costs		
Wages and salaries	19.661.613	9.640
Pension costs	2.326.525	1.952
Other social security costs	215.385	1.556
Other staff costs	435.587	339
	22.639.110	**13.487**
Average number of employees	**30**	**24**

	2016 DKK	2015 DKK'000
2. Tax on profit/loss for the year		
Tax on current year taxable income	(2.000.000)	(2.001)
Change in deferred tax for the year	(2.375.286)	1.736
	(4.375.286)	**(265)**

	Completed develop-ment projects DKK
3. Intangible assets	
Cost beginning of year	18.627.447
Additions	5.074.780
Cost end of year	**23.702.227**
Amortisation and impairment losses beginning of year	(6.742.156)
Amortisation for the year	(4.380.369)
Amortisation and impairment losses end of year	**(11.122.525)**
Carrying amount end of year	**12.579.702**

Notes

	Other fixtures and fittings, tools and equipment DKK
4. Property, plant and equipment	
Cost beginning of year	654.772
Cost end of year	**654.772**
Depreciation and impairment losses beginning of the year	(277.647)
Depreciation for the year	(271.482)
Depreciation and impairment losses end of the year	**(549.129)**
Carrying amount end of year	**105.643**

	Deposits DKK
5. Fixed asset investments	
Cost beginning of year	194.976
Additions	112.776
Disposals	(24.564)
Cost end of year	**283.188**
Carrying amount end of year	**283.188**

	Number	Par value DKK	Nominal value DKK
6. Contributed capital			
Share capital	112.088	1	112.088
	112.088		**112.088**

7. Long-term debt to other credit institutions

Debt to other credit institutions, are a loan from Vaekstfonden (Danish venture capital fund).

8. Contingent liabilities

The company has normal rental commitments from rent of office spaces, amounting to 560 t.DKK as of 31.12.2016.

Accounting policies

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

The accounting policies applied to these financial statements are apart from the changes described below, consistent with those applied last year.

Changes in accounting policies
The company has changed its accounting policies relating to recognition of development projects as an asset. Completed development projects are now recognised in the balance sheet as an asset, the management deems that the change is fundamental for the annual report, and have therefore decided to correct the change with effect in prior years.

The correction related to the change in accounting policies causes a decrease in the loss before tax of 9.510 t.DKK. The equity as of 31.12.2015 increase by 9.510 t.DKK, deferred tax decrease by 2.375 t.DKK and completed development projects increase by 11.885 t.DKK.

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

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

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

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

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

Income statement
Gross profit or loss
Gross profit or loss comprises revenue, cost of raw materials and consumables and external expenses.

Revenue
Revenue consist of consultancy services, licence and other services and are recognised in the income statement when delivery is made to the buyer or as the work progresses. For revenue from subscriptions where the company is obliged to delivery service, the revenue is deferred on the subscription period. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Cost of sales
Cost of sales comprises assistance from external consultants.

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

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

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

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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

Accounting policies

Balance sheet

Intellectual property rights etc

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

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

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

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 5 years. For development projects, protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs.

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

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

Other fixtures and fittings, tools and equipment	5 years

Estimated useful lives and residual values are reassessed annually.

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

Accounting policies

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

Contract work in progress
Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as financing costs are recognised in the income statement as incurred.

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

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

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

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

Cash
Cash comprises cash in hand and bank deposits.

Accounting policies

Other provisions
Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

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

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

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.