

Graduateland ApS

Njalsgade 23, 1. th., 2300 København S

Company reg. no. 33 51 15 66

Annual report

1 July 2018 - 30 June 2019

The annual report was submitted and approved by the general meeting on the 22 November 2019.

Patrick Teglård Lund
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Graduateland ApS for the financial year 1 July 2018 to 30 June 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 30 June 2019 and of the company's results of its activities in the financial year 1 July 2018 to 30 June 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København S, 22 November 2019

Managing Director

Patrick Teglård Lund

Board of directors

Jens Reimer Olesen
Chairman

Morten Petersen

Patrick Teglård Lund

Independent auditor's report

To the shareholders of Graduateland ApS

Opinion

We have audited the annual accounts of Graduateland ApS for the financial year 1 July 2018 to 30 June 2019, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 June 2019 and of the results of the company's operations for the financial year 1 July 2018 to 30 June 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

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

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Independent auditor's report

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 22 November 2019

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Jan Tønnesen

State Authorised Public Accountant
mne9459

Casper Christiansen

State Authorised Public Accountant
mne44100

Management's review

The principal activities of the company

Graduateland operates a network of university career portals. Additional portals include Graduateland.com (international career portal for students and graduates) and Careerland.dk (senior recruitment in Denmark).

Development in activities and financial matters

Graduateland has expanded its position in the Danish market by getting the remaining universities to join the career portal network, so now all 8 Danish universities are part of the Graduateland network.

A new portal has been launched (Careerland.dk), which focuses on senior recruitment, primarily in Denmark.

A professionalization of the organisation has been implemented during 2018/19, including a new management team. This transformation had a negative impact short-term, concretely on the expected revenue growth metrics.

Parallel with the transformation Graduateland initiated a scaling up of the organisation on the staff side. These two factors had a negative impact on the result of the year.

The gross profit for the year is tDKK 13.406 against tDKK 12.368 last year. The results of the year are tDKK -3.649 against tDKK -370 last year.

The management consider the results unsatisfactory.

The upscaling of the business did not have the expected short term effect on the revenue growth, and as a consequence the management has adjusted the organisation to reduce the cost base. The management is after the organisation adjustment budget with an EBITDA on tDKK 3.012 in the financial year 2019/20.

The company has lost more than 50% of the contributed capital and therefore the company is a subject to the capital loss provisions. The Management is aware of this, they expect a positive development in 2019/20 and that the company capital will be re-established within a couple of years.

Accounting policies used

The annual report for Graduateland ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Presentation changes

Some presentation changes have been made. They have not affected the result of the year and the equity.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Accounting policies used

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

Accounting policies used

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and amortisation which directly refer to the development activities.

Clearly defined and identifiable development projects are recognised as intangible fixed assets provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market or utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Development costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation and writedown.

After completion of the development work, capitalised development costs are amortised on a straight line basis over the estimated financial useful life. Usually, the amortisation period is 5 years.

Tangible fixed assets

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life :

	Useful life
Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Accounting policies used

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

As regards assets of own production, the cost comprises direct costs for materials, components, deliveries from sub-suppliers, payroll costs, and borrowing costs from specific and general borrowing concerning the construction of each individual asset.

Decoration of rented premises

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 5 years.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exist. Writedown relating to goodwill is not reversed.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies used

Equity

Reserves for development costs

Reserves for development costs comprise recognised development costs with deduction of related deferred tax liabilities. The reserves can not be used as dividend or for payment of losses. The reserves are reduced or dissolved if the recognised development costs are amortised or abandoned. This takes place by direct transfer to the distributable reserves of the equity.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Profit and loss account 1 July - 30 June

Amounts concerning 2018/19: DKK.

Amounts concerning 2017/18: DKK in thousands.

<u>Note</u>	<u>2018/19</u>	<u>2017/18</u>
Gross profit	13.406.424	12.368
2 Staff costs	-14.978.943	-10.210
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-2.905.992	-2.585
Operating profit	-4.478.511	-427
Other financial income	52.211	132
Writedown relating to financial assets	-88.824	0
Other financial costs	-151.176	-167
Results before tax	-4.666.300	-462
Tax on ordinary results	1.017.732	92
Results for the year	-3.648.568	-370
 Proposed distribution of the results:		
Allocated from results brought forward	-3.648.568	-370
Distribution in total	-3.648.568	-370

Balance sheet 30 June

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK in thousands.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets		
Fixed assets		
3 Completed development projects, including patents and similar rights arising from development projects	6.946.914	7.269
4 Development projects in progress and prepayments for intangible fixed assets	77.173	0
Intangible fixed assets in total	<u>7.024.087</u>	<u>7.269</u>
Other plants, operating assets, and fixtures and furniture	316.870	233
Decoration rented premises	84.802	153
Tangible fixed assets in total	<u>401.672</u>	<u>386</u>
Deposits	279.407	190
Financial fixed assets in total	<u>279.407</u>	<u>190</u>
Fixed assets in total	<u>7.705.166</u>	<u>7.845</u>
Current assets		
Trade debtors	3.417.584	3.056
Amounts owed by group enterprises	0	128
Receivable corporate tax	953.084	409
Other debtors	72.653	29
Accrued income and deferred expenses	73.570	6
Debtors in total	<u>4.516.891</u>	<u>3.628</u>
Available funds	729.507	612
Current assets in total	<u>5.246.398</u>	<u>4.240</u>
Assets in total	<u>12.951.564</u>	<u>12.085</u>

Balance sheet 30 June

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK in thousands.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity and liabilities		
Equity		
	83.178	83
5	Reserve for development expenditure 4.381.666	3.378
6	Results brought forward -6.241.563	-1.590
	<u>-1.776.719</u>	<u>1.871</u>
Equity in total		
Provisions		
	1.134.906	1.609
	<u>1.134.906</u>	<u>1.609</u>
	Provisions in total	
Liabilities		
	1.010.794	0
	2.481.561	1.429
	0	230
	3.420.143	2.414
	6.680.879	4.532
	<u>13.593.377</u>	<u>8.605</u>
	Short-term liabilities in total	
	<u>13.593.377</u>	<u>8.605</u>
	Liabilities in total	
	<u>12.951.564</u>	<u>12.085</u>
	Equity and liabilities in total	

1 Uncertainties concerning the enterprise's ability to continue as a going concern**7** Mortgage and securities**8** Contingencies

Notes

Amounts concerning 2018/19: DKK.

Amounts concerning 2017/18: DKK in thousands.

1. Uncertainties concerning the enterprise's ability to continue as a going concern

As a consequence of the result of the financial year, which was not satisfying, the management has in the beginning of the 19/20 financial year adjusted the organisation to lower the cost base. The management has temporarily extended its bank facility as a supplement to the organic revenue growth.

The management submits the annual report on going concern.

	<u>2018/19</u>	<u>2017/18</u>
2. Staff costs		
Salaries and wages	14.353.048	10.022
Pension costs	368.847	52
Other costs for social security	<u>257.048</u>	<u>136</u>
	<u>14.978.943</u>	<u>10.210</u>
Average number of employees	<u>31</u>	<u>21</u>

3. Completed development projects, including patents and similar rights arising from development projects

Development costs relate to further development of the company's products. The year's attendance is attribute to labor costs and external consultants. The products are fully developed and management believes that there is a market for the products after completion of development.

The completed development projects are essential for maintenance of the turnover and cost savings.

The management has not identified indication of impairment in proportion to the book value.

4. Development projects in progress and prepayments for intangible fixed assets

Development costs relate to further development of the company's products. The year's attendance is attribute to labor costs and external consultants. The products are expected to be fully developed during 2019/20, so management believes that it is technically to completed the products and there is a market for the products after completion of development.

Notes

Amounts concerning 2019: DKK.

Amounts concerning 2018: DKK in thousands.

	<u>30/6 2019</u>	<u>30/6 2018</u>
5. Reserve for development expenditure		
Reserve for development expenditure 1 July 2018	3.378.576	2.451
Transferred from results brought forward	<u>1.003.090</u>	<u>927</u>
	<u>4.381.666</u>	<u>3.378</u>
6. Results brought forward		
Results brought forward 1 July 2018	-1.589.905	-1.220
Profit or loss for the year brought forward	-3.648.568	-370
Transferred to reserve for development expenditure	<u>-1.003.090</u>	<u>0</u>
	<u>-6.241.563</u>	<u>-1.590</u>

7. Mortgage and securities

For bank debts, tDKK 1.010, the company has provided security in company assets representing a nominal value of tDKK 4.000. This security comprises the below assets, stating the book values:

	<u>DKK in thousands</u>
Other plants, operating assets, and fixtures and furniture	402
Receivable from sales and services	3.448
Intangible assets	7.024

8. Contingencies

Contingent liabilities

The company has entered into lease agreements with a leasingperiod between 20 and 22 months with a total obligation of tDKK 97.

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Jens Reimer Olesen

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