Baagøe | Schou
statsautoriseret revisionsaktieselskab

eConscribi International ApS

Brogårdsvej 28, 2820 Gentofte

Company reg. no. 33 86 19 15

Annual report

1 October 2015 - 30 September 2016

The annual report have been submitted and approved by the general meeting on the 14 March 2017.

Bjørn von Herbst
Chairman of the meeting

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Notes:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The managing director has today presented the annual report of eConscribi International ApS for the financial year 1 October 2015 to 30 September 2016.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 30 September 2016 and of the company's results of its activities in the financial year 1 October 2015 to 30 September 2016.

At the board meeting on the 14 March 2017 it will be decided that the annual accounts for 2016/17 onwards are not subject to audit. The managing director considers the requirements of omission of audit as met.

I am 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.

Gentofte, 14 March 2017

Managing Director

Bjørn von Herbst

The independent auditor's reports

To the shareholders of eConscribi International ApS

Report on the annual accounts

We have been appointed auditors with a view to performing an audit of the annual accounts of eConscribi International ApS for the financial year 1 October 2015 - 30 September 2016, 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.

The management's responsibility 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. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these accounts based on an audit performed in accordance with international standards on auditing and additional requirements under Danish audit regulation. Due to the matter described in the paragraph on the basis for qualified opinion, we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for our opinion.

Qualified opinion

Basis for disclaimer of opinion

We have not been able to obtain sufficient and appropriate audit evidence for the carrying amount of the company's intangible assets. Based on an assessment of the company's level of activity and earnings as well as the use of the intangible assets in the financial year and the time to the date of our auditor's report, we believe that there are indications of impairment. Management has not generated a sufficient and appropriate documentation that may justify that such impairment is not present, and we therefore take reservations about the value of the recognized intangible assets.

The independent auditor's reports

Disclaimer of opinion

Due to the significance of the matter described in the paragraph "Basis for disclaimer of opinion", we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Consequently, we do not express any opinion on the annual accounts.

Emphasis of matter paragraph on matters in the accounts

Without taking a qualified opinion we shall refer to note 1 "Uncertainties concerning the company's ability to continue as a going concern" where the uncertainty about going concern based on the conditions in the company is mentioned.

Statement on the management's review

As it appears from the disclaimer of opinion, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. We have not read the management's review to verify whether the information provided in the management's review is consistent with the annual accounts. Accordingly, we do not express and opinion on the management's review.

Copenhagen, 14 March 2017

Baagøe | Schou
State Authorised Public Accountants
Company reg. no. 21 14 81 48

Torben B. Petersen
State Authorised Public Accountant

Company data

The company	eConscribi International ApS Brogårdsvej 28 2820 Gentofte	
	Company reg. no.	33 86 19 15
	Financial year:	1 October - 30 September
Managing Director	Bjørn von Herbst	
Auditors	Baagøe | Schou statsautoriseret revisionsaktieselskab Fiolstræde 44, 3. th. 1171 København K	
Parent company	Austrodan Holding ApS, Gentofte, Group parant company eCconscribi Holding ApS, Gentofte	

Management's review

The principal activities of the company

The significant activities of the company includes software development and ownership of software licenses and investments in securities.

Uncertainties as to recognition or measurement

Referring to the comments in note No. 1, there is significant uncertainty with the valuation of the company's intangible assets tDKK 5,320. The value depends on whether the company begun profitable activities in 2014/15 or alternatively have disposed of the intangible assets.

Development in activities and financial matters

During the financial year 2012/13 the company has stopped the cooperation with their Danish sales agent which has result in a significant reduction in the activity of the company. Currently the company makes an effort to provide the company with a new international sales strategy. With the currently available cash flow the management estimates that these measures will be implemented by the end of the financial year of 206/17.

To ensure the implementation of the new strategy, the parent company has given a letter of postponement to the company. Furthermore the group parent company has given a letter of support to the company to provide with sufficient funds for the future activity until the end of the financial year of 2016/17.

Based on these assumptions the annual report has been prepared based on a going concern assumption.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for eConscribi International ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

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

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.

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.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

The profit and loss account

Gross loss

The gross loss 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.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

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.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Development costs comprise e.g. salaries, wages, and amortisation which directly and indirectly 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 10 years.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

Goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Goodwill is amortised on a straight-line basis over the amortisation period, which is between 5 and 25 years. The amortisation period is determined on the basis of an expected payback period, being the longer for strategical acquirees with a strong market position and an expected long-term earnings profile.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

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.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

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

Depreciation takes place on a straight line basis and based on an evaluation of the expected 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.

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 and indirect costs for materials, components, deliveries from subsuppliers, payroll costs, and borrowing costs form specific and general borrowing concerning the construction of each individual asset.

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.

Available funds

Available funds comprise cash at bank and in hand.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Liabilities relating to investment properties are measured at amortised cost.

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

Profit and loss account 1 October - 30 September

Amounts concerning 2015/16: DKK.
Amounts concerning 2014/15: DKK in thousands.

Note		2015/16	2014/15
	Gross loss	**-139.371**	**-459**
3	Staff costs	-183.765	-276
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-666.244	-666
		-800	0
	Results before tax	**-990.180**	**-1.401**
4	Tax on ordinary results	0	66
	Results for the year	**-990.180**	**-1.335**
	Proposed distribution of the results:		
	Allocated from results brought forward	-990.180	-1.335
	Distribution in total	**-990.180**	**-1.335**

Balance sheet 30 September

Amounts concerning 2016: DKK.
Amounts concerning 2015: DKK in thousands.

Note	Assets	2016	2015
	Fixed assets		
5	Development projects in progress and prepayments for intangible fixed assets	4.000.441	4.660
	Intangible fixed assets in total	4.000.441	4.660
6	Other plants, operating assets, and fixtures and furniture	0	6
	Tangible fixed assets in total	0	6
	Fixed assets in total	**4.000.441**	**4.666**
	Current assets		
	Other debtors	8.563	2
	Debtors in total	8.563	2
	Available funds	1.372	73
	Current assets in total	**9.935**	**75**
	Assets in total	**4.010.376**	**4.741**

Balance sheet 30 September

Amounts concerning 2016: DKK.
Amounts concerning 2015: DKK in thousands.

Note	Equity and liabilities	2016	2015
	Equity		
	Contributed capital	235.290	235
7	Results brought forward	2.902.547	3.893
	Equity in total	**3.137.837**	**4.128**
	Liabilities		
	Trade creditors	611.660	612
	Debt to group enterprises	260.879	1
	Short-term liabilities in total	872.539	613
	Liabilities in total	**872.539**	**613**
	Equity and liabilities in total	**4.010.376**	**4.741**

1 Uncertainties concerning the enterprise's ability to continue as a going concern
2 Uncertainties concerning recognition and measurement
8 Mortgage and securities
9 Contingencies

Notes

Amounts concerning 2015/16: DKK.
Amounts concerning 2014/15: DKK in thousands.

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

During the financial year 2012/13 the company has stopped the cooperation with their Danish sales agent which resulted in a significant reduction in the activity of the company. Currently the company makes an effort to provide the company with a new international sales strategy. With the currently available cash flow the management estimates that these measures will be implemented by the end of the financial year of 2016/17.

To ensure the implementation of the new strategy, the parent company has given a letter of postponement to the company. Furthermore the group parent company has given a letter of support to the company to provide with sufficient funds for the future activity until the end of the financial year of 2016/17.

Based on these assumptions the annual report has been prepared based on a going concern assumption.

2. Uncertainties concerning recognition and measurement

Referring to the comments in note No. 1, there is significant uncertainty with the valuation of the company's intangible assets tDKK 4,000. The value depends on whether the company begin profitable activities in 2015/16 or alternatively will disposed of the intangible assets.

		2015/16	2014/15
3.	**Staff costs**		
	Salaries and wages	175.325	264
	Other costs for social security	8.440	12
		183.765	**276**
4.	**Tax on ordinary results**		
	Tax of the results for the year, parent company	0	-106
	Adjustment for the year of deferred tax	0	40
		0	**-66**

Notes

Amounts concerning 2016: DKK.
Amounts concerning 2015: DKK in thousands.

		30/9 2016	30/9 2015
5.	**Development projects in progress and prepayments for intangible fixed assets**		
	Cost 1 October 2015	6.530.441	6.530
	Cost 30 September 2016	**6.530.441**	**6.530**
	Amortisation and writedown 1 October 2015	-1.870.000	-1.210
	Amortisation and writedown for the year	-660.000	-660
	Amortisation and writedown 30 September 2016	**-2.530.000**	**-1.870**
	Book value 30 September 2016	**4.000.441**	**4.660**
6.	**Other plants, operating assets, and fixtures and furniture**		
	Cost 1 October 2015	19.164	19
	Cost 30 September 2016	**19.164**	**19**
	Depreciation and writedown 1 October 2015	-12.920	-7
	Depreciation and writedown for the year	-6.244	-6
	Depreciation and writedown 30 September 2016	**-19.164**	**-13**
	Book value 30 September 2016	**0**	**6**
7.	**Results brought forward**		
	Results brought forward 1 October 2015	3.892.727	2.053
	Profit or loss for the year brought forward	-990.180	-1.335
	Group contribution	0	3.175
		2.902.547	**3.893**

8. Mortgage and securities

No Mortages, pladges or collaterals rest with the company etc.

Amounts concerning 2015/16: DKK.
Amounts concerning 2014/15: DKK in thousands.

9. Contingencies

Joint taxation

Austrodan Holding ApS being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.