

Founders A/S
Skelbækgade 2-4, 5., 1717 Copenhagen

Company reg. no. 34 59 84 60

Annual report

1 January - 31 December 2016

The annual report have been submitted and approved by the general meeting on the 4 May 2017.

Christoffer Galbo
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 board of directors and the executive board have today presented the annual report of Founders A/S for the financial year 1 January to 31 December 2016.

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 as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

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.

Copenhagen, 31 March 2017

Executive board

Ulrik Trolle

Peter Heering

Board of directors

Christoffer Galbo

Paul Henrik Østergaard

Thomas Schleicher

Lars-Erik Houmann Christensen

Independent auditor's report

To the shareholders of Founders A/S

Opinion

We have audited the annual accounts of Founders A/S for the financial year 1 January to 31 December 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.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing 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.

Independent auditor's report

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:

- 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.

Independent auditor's report

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.

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, 31 March 2017

Grant Thornton

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

Michael Winther Rasmussen
State Authorised Public Accountant

Jacob Helly Juell-Hansen
State Authorised Public Accountant

Company data

The company

Founders A/S
Skelbækgade 2-4, 5.
1717 Copenhagen

Website www.founders.as

Company reg. no. 34 59 84 60

Domicile: Copenhagen

Financial year: 1 January - 31 December
5th financial year

Board of directors

Christoffer Galbo
Paul Henrik Østergaard
Thomas Schleicher
Lars-Erik Houmann Christensen

Executive board

Ulrik Trolle
Peter Heering

Auditors

Grant Thornton, State Authorized Public Accountants
Stockholmsgade 45
2100 Copenhagen

Management's review

The principal activities of the company

The company's aim is to develop new technology-driven business concepts and companies. The ambition is to combine new business concepts with a suitable leadership talent to drive the individual projects and lead the companies. Because of this, Founders A/S is to be considered as a development company rather than an investment company. The company's owners have a combined tradition of doing business with the priority of long-term value without targeted exit strategies. It is the company's aim to maintain this mindset in Founders A/S.

The company incurs costs for external parties providing management services to the company in the form of know-how within business development and management along with a specific technical knowledge on the respective disciplines.

Development in activities and financial matters

The result of the year is tDKK -30.067 against tDKK -12.107 last year.

The company is still in a development phase, which means that the company has not yet received any income from the ongoing projects. With this in mind, the management considers the result for the year satisfactory and in accordance with expectations.

Accounting policies used

The annual report for Founders A/S 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).

The profit and loss account

Gross loss

The gross loss comprises other external costs.

Other external costs comprise costs for administration, premises etc.

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.

Net financials

Net financials include interest income and interest expenses. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Writedowns relating financial assets

Writedowns relating financial assets comprise writedown of investments and other financial assets.

Tax of the results for the year

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

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

Financial fixed assets

Equity investments in group enterprises and associated enterprises

Equity investments in group enterprises and associated enterprises are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower value.

Accounting policies used

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.

Liabilities

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

Profit and loss account 1 January - 31 December

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Gross loss	-4.715.428	-3.963
1 Staff costs	-8.908.777	-8.011
Writedown relating to financial assets	-18.803.596	-883
Operating profit	-32.427.801	-12.857
Other financial income from group enterprises	1.872.467	760
Other financial income	-723	0
Other financial costs	-7.085	-10
Results before tax	-30.563.142	-12.107
Tax on ordinary results	496.228	0
Results for the year	-30.066.914	-12.107
Proposed distribution of the results:		
Allocated from results brought forward	-30.066.914	-12.107
Distribution in total	-30.066.914	-12.107

Balance sheet 31 December

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Assets		
Fixed assets		
2 Equity investments in group enterprises	38.765.999	29.076
Other debtors	13.092.852	16.520
3 Deposits	1.154.700	0
Financial fixed assets in total	<u>53.013.551</u>	<u>45.596</u>
Fixed assets in total	<u>53.013.551</u>	<u>45.596</u>
Current assets		
Trade debtors	218.766	368
Other debtors	941.468	2.037
Accrued income and deferred expenses	24.683	8
Debtors in total	<u>1.184.917</u>	<u>2.413</u>
Available funds	<u>1.328.971</u>	<u>2.405</u>
Current assets in total	<u>2.513.888</u>	<u>4.818</u>
Assets in total	<u>55.527.439</u>	<u>50.414</u>

Balance sheet 31 December

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Equity and liabilities		
Equity		
4 Contributed capital	11.550.000	8.130
5 Results brought forward	42.494.988	41.782
Equity in total	<u>54.044.988</u>	<u>49.912</u>
Liabilities		
Trade creditors	233.498	194
Debt to group enterprises	49.954	24
Other debts	1.198.999	284
Short-term liabilities in total	<u>1.482.451</u>	<u>502</u>
Liabilities in total	<u>1.482.451</u>	<u>502</u>
Equity and liabilities in total	<u>55.527.439</u>	<u>50.414</u>

6 Contingencies

Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

	<u>2016</u>	<u>2015</u>
1. Staff costs		
Salaries and wages	8.621.886	7.815
Pension costs	162.524	80
Other costs for social security	57.275	49
Other staff costs	67.092	67
	<u>8.908.777</u>	<u>8.011</u>
2. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2016	29.075.822	2.550
Additions during the year	14.347.586	32.724
Disposals during the year	-4.657.409	-6.198
Cost 31 December 2016	<u>38.765.999</u>	<u>29.076</u>
Book value 31 December 2016	<u>38.765.999</u>	<u>29.076</u>
3. Deposits		
Additions during the year	<u>1.154.700</u>	<u>0</u>
Cost 31 December 2016	<u>1.154.700</u>	<u>0</u>
Book value 31 December 2016	<u>1.154.700</u>	<u>0</u>

Notes

Amounts concerning 2016: DKK.

Amounts concerning 2015: DKK in thousands.

	<u>31/12 2016</u>	<u>31/12 2015</u>
4. Contributed capital		
Contributed capital 1 January 2016	8.130.000	3.090
Cash capital increase	<u>3.420.000</u>	<u>5.040</u>
	<u>11.550.000</u>	<u>8.130</u>

The share capital consists of 115,500 shares, each with a nominal value of DKK 100. No shares hold particular rights. During the year, 34,200 shares with a nominal value of DKK 3,420,000 have been subscribed.

5. Results brought forward		
Results brought forward 1 January 2016	41.781.902	8.529
Profit or loss for the year brought forward	-30.066.914	-12.107
Distribution of share premium	<u>30.780.000</u>	<u>45.360</u>
	<u>42.494.988</u>	<u>41.782</u>

6. Contingencies

The Company has entered a lease agreement on the Company's offices. The lease agreement has a remaining term of approximately 4,5 years with an average annual payment of tDKK 1.888.

Joint taxation

The company is the administration company of the group of companies 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.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.