

Unsilø A/S

Inge Lehmannsgade 10

8000 Aarhus C

Central Business Registration No

34612021

Annual report 2017

The Annual General Meeting adopted the annual report on 22.05.2018

Chairman of the General Meeting

Name: Thomas Michael Redder Laursen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Income statement for 2017	6
Balance sheet at 31.12.2017	7
Statement of changes in equity for 2017	9
Notes	10
Accounting policies	12

Entity details

Entity

Unsilo A/S
Inge Lehmannsgade 10
8000 Aarhus C

Central Business Registration No: 34612021

Founded: 05.07.2012

Registered in: Aarhus

Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Flemming Würtz Andersen

Lars Jensen

Mads Bredning Rydahl

Executive Board

Thomas Michael Redder Laursen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus 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 Unsilo A/S for the financial year 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Aarhus, 22.05.2018

Executive Board

Thomas Michael Redder
Laursen

Board of Directors

Flemming Würtz Andersen

Lars Jensen

Mads Bredning Rydahl

Independent auditor's reports

To the shareholders of Unsilo A/S

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Unsilo A/S for the financial year 01.01.2017 - 31.12.2017. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

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.

Independent auditor's reports

In connection with our extended review 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 extended review 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.

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.

Aarhus, 22.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Michael Bach

State Authorised Public Accountant

Identification number (MNE) mne19691

Management commentary

Primary activities

Unsilo's purpose is to develop a semantic-based search engine for researchers to discover relevant knowledge across different content sources hidden in domain-specific terminology.

Development in activities and finances

The management is satisfied with the financial performance as the company is preparing for significant growth and hence has increased staff significantly. To fund this growth the company's strategic investment was closed in Q1 2017, which has directly increased the company's equity value by DKK 21,097k.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Gross profit		3.722.879	5.133.050
Staff costs	1	(6.764.395)	(5.947.531)
Depreciation, amortisation and impairment losses	2	<u>(1.843.584)</u>	<u>(1.843.584)</u>
Operating profit/loss		(4.885.100)	(2.658.065)
Other financial income from group enterprises		858	0
Other financial income		2.574	25.738
Other financial expenses		<u>(427.507)</u>	<u>(42.364)</u>
Profit/loss before tax		(5.309.175)	(2.674.691)
Tax on profit/loss for the year	3	<u>1.153.319</u>	<u>579.000</u>
Profit/loss for the year		<u>(4.155.856)</u>	<u>(2.095.691)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(4.155.856)</u>	<u>(2.095.691)</u>
		<u>(4.155.856)</u>	<u>(2.095.691)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Completed development projects		7.638.616	5.530.750
Intangible assets	4	7.638.616	5.530.750
 Fixed assets		 7.638.616	 5.530.750
Trade receivables		2.171.865	3.606.978
Receivables from group enterprises		25.311	0
Other receivables		266.529	192.943
Joint taxation contribution receivable		869.319	0
Prepayments		74.727	75.156
Receivables		3.407.751	3.875.077
 Cash		 11.271.126	 1.516.060
 Current assets		 14.678.877	 5.391.137
 Assets		 22.317.493	 10.921.887

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Contributed capital		768.834	666.251
Reserve for development expenditure		3.082.131	0
Retained earnings		<u>15.315.987</u>	<u>1.559.980</u>
Equity		<u>19.166.952</u>	<u>2.226.231</u>
Deferred tax		<u>757.000</u>	<u>1.041.000</u>
Provisions		<u>757.000</u>	<u>1.041.000</u>
Current portion of long-term liabilities other than provisions		0	6.176.577
Trade payables		584.626	189.403
Payables to group enterprises		0	430.984
Other payables	5	<u>1.808.915</u>	<u>857.692</u>
Current liabilities other than provisions		<u>2.393.541</u>	<u>7.654.656</u>
Liabilities other than provisions		<u>2.393.541</u>	<u>7.654.656</u>
Equity and liabilities		<u>22.317.493</u>	<u>10.921.887</u>
Contingent liabilities	6		

Statement of changes in equity for 2017

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity beginning of year	666.251	0	1.559.980	2.226.231
Increase of capital	102.583	0	20.993.994	21.096.577
Profit/loss for the year	0	3.082.131	(7.237.987)	(4.155.856)
Equity end of year	768.834	3.082.131	15.315.987	19.166.952

Notes

	2017	2016
	DKK	DKK
1. Staff costs		
Wages and salaries	10.603.492	5.880.097
Other social security costs	110.759	67.434
Other staff costs	1.594	0
Staff costs classified as assets	(3.951.450)	0
	6.764.395	5.947.531
Average number of employees	18	11
	2017	2016
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	1.843.584	1.843.584
	1.843.584	1.843.584
	2017	2016
	DKK	DKK
3. Tax on profit/loss for the year		
Tax on current year taxable income	(869.319)	0
Change in deferred tax for the year	(284.000)	(579.000)
	(1.153.319)	(579.000)
		Completed develop- ment projects DKK
4. Intangible assets		
Cost beginning of year		9.217.918
Additions		3.951.450
Cost end of year		13.169.368
Amortisation and impairment losses beginning of year		(3.687.168)
Amortisation for the year		(1.843.584)
Amortisation and impairment losses end of year		(5.530.752)
Carrying amount end of year		7.638.616

Notes

Completed development projects comprise development of a software system enabling searching for research results as well as customised adjustments in this relation. The company has further developed the software in 2017, and the completed development projects are amortised over 5 years.

Management has not identified any indication of impairment.

	2017	2016
	DKK	DKK
5. Other payables		
Wages and salaries, personal income taxes, social security costs, etc payable	363.107	265.647
Holiday pay obligation	1.444.611	596.182
Accrued interests	1.197	0
Other costs payable	0	(4.137)
	1.808.915	857.692

6. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Rydahl Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2017 for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

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 consistent with those applied last year, however a few reclassifications have been made.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Accounting policies

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.

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.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income

Other financial income comprises interest income.

Other financial expenses

Other financial expenses comprise interest expenses.

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.

The Entity is jointly taxed with Rydahl Holding ApS and all its Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

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

Accounting policies

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 amortisation 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.

Receivables

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

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 bank deposits.

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.

Other financial liabilities

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