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Codeable ApS
Skovkrogen 13 st. tv.
2920 Charlottenlund
Central Business Registration No
35387730

Annual report 2016

The Annual General Meeting adopted the annual report on 30.05.2017

Chairman of the General Meeting

Name: Per Esbensen

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Entity details

Entity

Codeable ApS

Skovkrogen 13 st. tv.

2920 Charlottenlund

Central Business Registration No: 35387730

Registered in: Gentofte

Financial year: 01.01.2016 - 31.12.2016

Executive Board

Per Esbensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Codeable 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 my 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.

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

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

Charlottenlund, 30.05.2017

Executive Board

Per Esbensen

Independent auditor's report

To the shareholders of Codeable ApS

Opinion

We have audited the financial statements of Codeable 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 exists. 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

Jacob Simonsen
State Authorised Public Accountant

Management commentary

Primary activities

The object of the Company is to operate a website which provides online outsourcing of coding assignments and to carry on all activities which the Executive Board considers related to this.

Development in activities and finances

The income statement of the Company for 2016 shows a profit of DKK 798k, and at 31 December 2016 the balance sheet of the Company shows an equity of DKK 1,388k.

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 2016

	Notes	2016 DKK	2015 DKK'000
Gross profit		2.136.193	309
Staff costs	1	(734.286)	(736)
Depreciation, amortisation and impairment losses	2	(259.763)	(227)
Operating profit/loss		1.142.144	(654)
Other financial income	3	6.157	74
Other financial expenses	4	(111.582)	(11)
Profit/loss before tax		1.036.719	(591)
Tax on profit/loss for the year	5	(241.011)	138
Profit/loss for the year		795.708	(453)
Proposed distribution of profit/loss			
Retained earnings		795.708	(453)
		795.708	(453)

Balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK'000
Goodwill		241.800	469
Development projects in progress		2.653.802	0
Intangible assets	6	2.895.602	469
Deferred tax		0	109
Fixed asset investments	7	0	109
Fixed assets		2.895.602	578
Receivables from group enterprises		240.170	0
Other receivables		188.557	160
Income tax receivable		292.889	80
Receivables		721.616	240
Cash		2.418.345	2.945
Current assets		3.139.961	3.185
Assets		6.035.563	3.763

Balance sheet at 31.12.2016

	<u>Notes</u>	2016 DKK	2015 DKK'000
Contributed capital	8	286.124	286
Reserve for development expenditure		2.686.765	0
Retained earnings		(1.585.291)	306
Equity		1.387.598	592
Deferred tax		424.600	0
Provisions		424.600	0
Convertible and dividend-yielding debt instruments		0	213
Non-current liabilities other than provisions		0	213
Bank loans		2.018	0
Prepayments received from customers		2.297.923	1.503
Trade payables		1.690.160	1.210
Other payables		233.264	245
Current liabilities other than provisions		4.223.365	2.958
Liabilities other than provisions		4.223.365	3.171
Equity and liabilities		6.035.563	3.763
Contingent liabilities		9	

Statement of changes in equity for 2016

	Contributed capital DKK	Reserve for development expenditure DKK	Retained earnings DKK	Total DKK
Equity				
beginning of year	286.124	0	305.766	591.890
Transfer to reserves	0	2.686.765	(2.686.765)	0
Profit/loss for the year	0	0	795.708	795.708
Equity end of year	286.124	2.686.765	(1.585.291)	1.387.598

Notes

	2016 DKK	2015 DKK'000
1. Staff costs		
Wages and salaries	730.024	731
Other social security costs	3.408	4
Other staff costs	854	1
	734.286	736
Average number of employees	1	1
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	226.800	227
Impairment losses on intangible assets	32.963	0
	259.763	227
3. Other financial income		
Financial income from associates	2.173	0
Interest income	295	0
Exchange rate adjustments	0	74
Other financial income	3.689	0
	6.157	74
4. Other financial expenses		
Exchange rate adjustments	108.499	0
Other financial expenses	3.083	11
	111.582	11

Notes

	2016 DKK	2015 DKK'000
5. Tax on profit/loss for the year		
Tax on current year taxable income	(292.889)	(80)
Change in deferred tax for the year	533.900	(50)
Adjustment concerning previous years	0	(8)
	241.011	(138)

	Develop- ment projects in progress DKK	Goodwill DKK
6. Intangible assets		
Cost beginning of year	1.134.000	0
Additions	0	2.686.765
Cost end of year	1.134.000	2.686.765
Amortisation and impairment losses beginning of year	(665.400)	0
Impairment losses for the year	0	(32.963)
Amortisation for the year	(226.800)	0
Amortisation and impairment losses end of year	(892.200)	(32.963)
Carrying amount end of year	241.800	2.653.802

Development projects in progress

Development projects in progress consists of development of an upgrade of the business platform to handle the business setup. The upgrade will be finished in 2017 and will have a large impact on future growth.

	Deferred tax DKK
7. Fixed asset investments	
Cost beginning of year	109.300
Disposals	(109.300)
Cost end of year	0
Carrying amount end of year	0

Notes

	Number	Par value DKK	Nominal value DKK
8. Contributed capital			
A-shares	201.000	1	201.000
B-shares	73.673	1	73.673
C-shares	<u>11.451</u>	1	<u>11.451</u>
	<u>286.124</u>		<u>286.124</u>

	2016 DKK	2015 DKK'000
Intangible assets	140.000	103
Tax losses carried forward	<u>(180.800)</u>	<u>(212)</u>
	<u>(40.800)</u>	<u>(109)</u>

♥ Udskudt skat - Indsæt beskrivelse af evt. særlige forhold.

9. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Codeable 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 2013 for income taxes etc for the jointly taxed entities, and from 1 July 2012 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.

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. Property, plant and equipment, 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. 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 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

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 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 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.

The Entity is jointly taxed with all 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

Goodwill

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period used are 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Accounting policies

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 amortisation that are directly and indirectly attributable to the development projects.

The amortisation periods used are 5 years.

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.

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.

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.