

Linkfire ApS

Artillerivej 86, 3. th.
2300 Copenhagen S
Central Business Registration No
35835431

Annual report 2017

The Annual General Meeting adopted the annual report on 18.06.2018

Chairman of the General Meeting

Name: Tobias Demuth

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Entity details

Entity

Linkfire ApS
Artillerivej 86, 3. th.
2300 Copenhagen S

Central Business Registration No: 35835431
Registered in: Copenhagen
Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Thomas John Hart Sehested, chairman
Jeppe Rothausen Faurfelt
Lars Wiberg Ettrup
Andy Hanwei Chen
Carl Michael Folke Mandahl

Executive Board

Jeppe Rothausen Faurfelt
Lars Wiberg Ettrup

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København 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 Linkfire ApS 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.

Copenhagen, 18.06.2018

Executive Board

Jeppe Rothausen Faurfelt

Lars Wiberg Ettrup

Board of Directors

Thomas John Hart Sehested
chairman

Jeppe Rothausen Faurfelt

Lars Wiberg Ettrup

Andy Hanwei Chen

Carl Michael Folke Mandahl

Independent auditor's report

To the shareholders of Linkfire ApS

Opinion

We have audited the financial statements of Linkfire ApS for the financial year 01.01.2017 - 31.12.2017, 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 31.12.2017 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.

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.

Material uncertainty related to going concern

At the time of presentation of the annual report, the company is in dialogue with a potential investor. A term sheet has been signed. Management expects this investment, will ensure the company's future operations and cash flow needs. As no final agreement has been made there is uncertainty related to going concern. Management expects the investment to be completed and has prepared the annual report in accordance with the going concern assumption, further reference is made to note 1. Our audit opinion have not been qualified as a result of above.

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

Independent auditor's report

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:

- 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

Independent auditor's report

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.

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, 18.06.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Bjørn Winkler Jakobsen
State Authorised Public Accountant
Identification number (MNE) mne32127

Management commentary

Primary activities

The company's main activity is to conduct business within information services, software and related activities.

Development in activities and finances

The loss of the year is DKK (4.163)k. Last year's loss was DKK (8.897)k. Total assets is DKK 25.599k, and the equity is DKK (574)k.

Management is aware of the company's capital resources and has therefore received a signed term sheet from an investor after the balance sheet date. The investor has indicated that it would make a significant investment, ensuring the company's future operations.

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'000</u>
Gross profit/loss		3.016.036	(2.627)
Staff costs	2	(7.560.731)	(7.197)
Depreciation, amortisation and impairment losses	3	<u>(404.955)</u>	<u>(399)</u>
Operating profit/loss		(4.949.650)	(10.223)
Other financial income	4	76.227	142
Other financial expenses	5	<u>(2.109.557)</u>	<u>(1.049)</u>
Profit/loss before tax		(6.982.980)	(11.130)
Tax on profit/loss for the year	6	<u>2.820.129</u>	<u>2.233</u>
Profit/loss for the year		<u>(4.162.851)</u>	<u>(8.897)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(4.162.851)</u>	<u>(8.897)</u>
		<u>(4.162.851)</u>	<u>(8.897)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Completed development projects		936.012	1.293
Development projects in progress		18.658.766	8.047
Intangible assets	7	19.594.778	9.340
Other fixtures and fittings, tools and equipment		74.868	77
Leasehold improvements		66.978	91
Property, plant and equipment	8	141.846	168
Investments in group enterprises		1	0
Deposits		417.000	417
Fixed asset investments	9	417.001	417
Fixed assets		20.153.625	9.925
Trade receivables		682.677	1.246
Receivables from group enterprises		303.251	379
Other receivables		279.426	305
Income tax receivable		2.820.129	2.287
Prepayments		18.963	363
Receivables		4.104.446	4.580
Cash		1.341.242	0
Current assets		5.445.688	4.580
Assets		25.599.313	14.505

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Contributed capital		85.270	79
Reserve for development expenditure		16.005.852	8.047
Retained earnings		<u>(16.664.663)</u>	<u>(7.536)</u>
Equity		<u>(573.541)</u>	<u>590</u>
Convertible and dividend-yielding debt instruments		3.000.000	0
Other payables		<u>18.266.804</u>	<u>8.308</u>
Non-current liabilities other than provisions	10	<u>21.266.804</u>	<u>8.308</u>
Bank loans		0	535
Prepayments received from customers		1.638.620	1.761
Trade payables		778.638	1.054
Other payables		<u>2.488.792</u>	<u>2.257</u>
Current liabilities other than provisions		<u>4.906.050</u>	<u>5.607</u>
Liabilities other than provisions		<u>26.172.854</u>	<u>13.915</u>
Equity and liabilities		<u>25.599.313</u>	<u>14.505</u>
Going concern	1		
Unrecognised rental and lease commitments	11		
Mortgages and securities	12		

Statement of changes in equity for 2017

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Equity beginning of year	78.565	0	8.047.112	(7.536.367)
Increase of capital	6.705	2.993.295	0	0
Transfer to reserves	0	(2.993.295)	7.958.740	(4.965.445)
Profit/loss for the year	0	0	0	(4.162.851)
Equity end of year	85.270	0	16.005.852	(16.664.663)
				Total
				DKK
Equity beginning of year				589.310
Increase of capital				3.000.000
Transfer to reserves				0
Profit/loss for the year				(4.162.851)
Equity end of year				(573.541)

Notes

1. Going concern

The company has received a signed term sheet from an investor after the balance sheet date. The investor has indicated to make an investment, ensuring the company's future operations. As the term sheet is not legally binding, there is uncertainty related to going concern. Management expects the investment to be completed, and has prepared the annual report in accordance with the going concern assumption.

	2017	2016
	DKK	DKK'000
2. Staff costs		
Wages and salaries	16.632.719	14.038
Other social security costs	78.012	101
Staff costs classified as assets	<u>(9.150.000)</u>	<u>(6.942)</u>
	7.560.731	7.197
Number of employees at balance sheet date	<u>41</u>	<u>42</u>

	2017	2016
	DKK	DKK'000
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	357.494	357
Depreciation of property, plant and equipment	<u>47.461</u>	<u>42</u>
	404.955	399

	2017	2016
	DKK	DKK'000
4. Other financial income		
Exchange rate adjustments	71.830	142
Other financial income	<u>4.397</u>	<u>0</u>
	76.227	142

	2017	2016
	DKK	DKK'000
5. Other financial expenses		
Interest expenses	1.703.389	893
Exchange rate adjustments	406.168	121
Other financial expenses	<u>0</u>	<u>35</u>
	2.109.557	1.049

Notes

	2017	2016
	DKK	DKK'000
6. Tax on profit/loss for the year		
Tax on current year taxable income	(2.820.129)	(2.233)
	(2.820.129)	(2.233)
	Completed	Develop-
	develop-	ment
	ment	projects in
	projects	progress
	DKK	DKK
7. Intangible assets		
Cost beginning of year	1.787.469	8.047.112
Additions	0	10.611.654
Cost end of year	1.787.469	18.658.766
Amortisation and impairment losses beginning of year	(493.963)	0
Amortisation for the year	(357.494)	0
Amortisation and impairment losses end of year	(851.457)	0
Carrying amount end of year	936.012	18.658.766
Development projects in progress		
Development project in progress consists of project relating to new products that the company is developing.		
	Investments	
	in group	
	enterprises	Deposits
	DKK	DKK
9. Fixed asset investments		
Cost beginning of year	1	417.000
Cost end of year	1	417.000
Carrying amount end of year	1	417.000

Notes

	Outstanding after 5 years DKK	
	<u>DKK</u>	
10. Liabilities other than provisions		
Other payables		<u>11.006.298</u>
		<u>11.006.298</u>
	<u>2017</u>	<u>2016</u>
	<u>DKK</u>	<u>DKK'000</u>
11. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	<u>417.000</u>	<u>1.390</u>
12. Mortgages and securities		
The Company has provided a bank guarantee to the landlord of DKK 521k.		

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.

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.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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 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 as well as property, plant and equipment.

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, amortisation of financial assets 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, amortisation of financial liabilities 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.

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 the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

Accounting policies

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 10 years. For development projects, protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 5 years.

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are measured at cost and are written down to the lower of recoverable amount and carrying amount.

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

Accounting policies

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises bank deposits.

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.