EPI-USE Denmark ApS

Hausergade 3, 5th floor, 1128 Copenhagen K

CVR no. 35 86 74 57

Annual report 2017/18

Approved at the Company's annual general meeting on 22 June 2018

Chairman:

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Keld Johan Ebbesen

Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of EPI-USE Denmark ApS for the financial year 1 March 2017 - 28 February 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 28 February 2018 and of the results of the Company's operations for the financial year 1 March 2017 - 28 February 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 22 June 2018
Executive Board:

Keld Johan Ebbesen
CEO

Board of Directors:

John Logan McFadzean Chairman	Robert James Patrick	Keld Johan Ebbesen

Independent auditor's report

To the shareholders of EPI-USE Denmark ApS

Opinion

We have audited the financial statements of EPI-USE Denmark ApS for the financial year 1 March 2017 - 28 February 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 28 February 2018 and of the results of the Company's operations for the financial year 1 March 2017 - 28 February 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for 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 rules and requirements.

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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 the 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.

Independent auditor's report

- 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 Company'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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, 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 conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 22 June 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Martin Alsbæk
State Authorised Public Accountant
MNE no.: mne28627

Management's review

Company details

Name	EPI-USE Denmark ApS
Address, Postal code, City	Hausergade 3, 5th floor, 1128 Copenhagen K
CVR no.	35 86 74 57
Established	10 June 2014
Registered office	København
Financial year	1 March 2017 - 28 February 2018
Website	www.epiuse.com
Telephone	+45 72 26 07 50
Board of Directors	John Logan McFadzean, Chairman Robert James Patrick Keld Johan Ebbesen
Executive Board	Keld Johan Ebbesen, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

EPI-USE Denmark ApS principal activity is to provide technology based services and sale of computer software and related activities.

Financial review

The income statement for 2017/18 shows a profit of DKK 161,755 against a loss of DKK 12,750,640 last year, and the balance sheet at 28 February 2018 shows a negative equity of DKK 24,578,780.

Management considers the Company's financial performance in the year as unsatisfactory.

The profit/loss for the year is positively affected by reversed write-downs on intra-group balances in previous years of DKK 4,782 thousand.

The Company's ability to continue operations and meet its obligations as they fall due depends on continued funding from the parent company. The ultimate parent company in the group has guaranteed to provide the funding required to continue operations at least until the date for the general meeting where the Annual Report for 2018/19 will be approved, against which background Management has presented the financial statement on a going concern assumption. Reference is made to note 2.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 March 2017 - 28 February 2018

Income statement

Note	DKK	2017/18	2016/17
	Gross margin	12,977,242	6,727,698
3	Staff costs	-17,201,805	-17,980,748
	Depreciation and impairment of property, plant and equipment	-172,603	-164,048
	Other operating expenses	0	-19,175
	Profit/loss before net financials	-4,397,166	-11,436,273
4	Financial income	4,887,925	450,623
5	Financial expenses	-329,004	-1,764,990
	Profit/loss before tax	161,755	-12,750,640
	Tax for the year	0	0
	Profit/loss for the year	161,755	-12,750,640

	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	161,755	-12,750,640
		161,755	-12,750,640

Financial statements 1 March 2017 - 28 February 2018

Balance sheet

Note	DKK	2017/18	2016/17
	ASSETS		
	Fixed assets		
6	**Property, plant and equipment**		
	Fixtures and fittings, other plant and equipment	153,764	234,069
		153,764	234,069
	Investments		
	Receivables from group enterprises	1,633,400	819,529
	Deposits	208,519	208,519
		1,841,919	1,028,048
	Total fixed assets	1,995,683	1,262,117
	Non-fixed assets		
	Receivables		
	Trade receivables	1,078,421	2,236,194
	Receivables from group enterprises	7,656,551	0
	Other receivables	509,518	0
	Prepayments	195,369	75,887
		9,439,859	2,312,081
	Cash	992,868	928,189
	Total non-fixed assets	10,432,727	3,240,270
	TOTAL ASSETS	12,428,410	4,502,387

Financial statements 1 March 2017 - 28 February 2018

Balance sheet

Note	DKK	2017/18	2016/17
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	60,000	60,000
	Retained earnings	-24,638,780	-24,800,535
	Total equity	-24,578,780	-24,740,535
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	55,469	112,588
	Trade payables	927,956	300,914
	Payables to group enterprises	33,631,619	25,690,601
	Other payables	2,317,421	3,064,908
	Deferred income	74,725	73,911
		37,007,190	29,242,922
	Total liabilities other than provisions	37,007,190	29,242,922
	TOTAL EQUITY AND LIABILITIES	12,428,410	4,502,387

1 Accounting policies
2 Uncertainties regarding going concern
7 Contractual obligations and contingencies, etc.
8 Contingent assets
9 Collateral

Financial statements 1 March 2017 - 28 February 2018

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 March 2017	60,000	-24,800,535	-24,740,535
Transfer through appropriation of profit	0	161,755	161,755
Equity at 28 February 2018	60,000	-24,638,780	-24,578,780

Financial statements 1 March 2017 - 28 February 2018

Notes to the financial statements

1 Accounting policies

The annual report of EPI-USE Denmark ApS for 2017/18 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year.

Income from contract work is recognised as revenue at the time of delivery and the transfer of the risk to the buyer.

Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sales', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

External expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial statements 1 March 2017 - 28 February 2018

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3 years

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Financial statements 1 March 2017 - 28 February 2018

Notes to the financial statements

1 Accounting policies (continued)

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 March 2017 - 28 February 2018

Notes to the financial statements

2 **Uncertainties regarding going concern**

The Company's ability to continue operations and meet its obligations as they fall due depends on continued funding from the parent company. The ultimate parent company in the group has guaranteed to provide the funding required to continue operations at least until the date for the general meeting where the Annual Report for 2018/19 will be approved, against which background Management has presented the financial statement on a going concern assumption.

	DKK	2017/18	2016/17
3	**Staff costs**		
	Wages/salaries	13,285,125	16,234,698
	Pensions	1,956,229	823,014
	Other social security costs	47,949	106,792
	Other staff costs	1,912,502	816,244
		17,201,805	17,980,748
	Average number of full-time employees	21	21
4	**Financial income**		
	Reversal of impairment of financial assets	4,782,044	0
	Interest receivable, group entities	0	444,613
	Exchange adjustments	105,881	6,010
		4,887,925	450,623
5	**Financial expenses**		
	Impairment of financial assets	0	1,741,461
	Interest expenses, associates	38,955	23,529
	Exchange adjustments	290,049	0
		329,004	1,764,990

6 **Property, plant and equipment**

DKK	Fixtures and fittings, other plant and equipment
Cost at 1 March 2017	513,260
Additions	92,298
Cost at 28 February 2018	605,558
Impairment losses and depreciation at 1 March 2017	279,191
Depreciation	172,603
Impairment losses and depreciation at 28 February 2018	451,794
Carrying amount at 28 February 2018	153,764

Financial statements 1 March 2017 - 28 February 2018

Notes to the financial statements

7 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, EPI-USE Nordic & Baltic Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends falling due for payment.

Other financial obligations

Other rent and lease liabilities:

DKK	2017/18	2016/17
Rent and lease liabilities	225,210	939,164

Rent and lease liabilities include a rent obligation of DKK 225 thousand. The interminable agreements with remaining contract terms of 1 month, to 2 years.

8 Contingent assets

The Company has tax loss carryforwards totalling DKK 31,279 thousand. The nominal value thereof is 22%, totalling DKK 6,881 thousand. DKK 0 of the amount has been recognised in the balance sheetdue to the uncertainty as to application of the tax losses.

9 Collateral

The Company has not provided any security or other collateral in assets at 28 February 2018.