

# EPI-USE Denmark ApS

Hausegade 3, 5. sal, 1128 København K

CVR no. 35 86 74 57



## Annual report 2016/17

Approved at the annual general meeting of shareholders on 10 July 2017

Chairman:

.....  
Keld Johan Ebbesen



Building a better  
working world



## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Management commentary	5
Financial statements 1 March 2016 - 28 February 2017	6
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes to the financial statements	10



## 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 2016 - 28 February 2017.

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 2017 and of the results of the Company's operations for the financial year 1 March 2016 - 28 February 2017.

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, 10 July 2017  
Executive Board:

.....  
Morten Brøbecher  
Thorndahl  
CEO

.....  
Keld Johan Ebbesen

Board of Directors:

.....  
John Logan McFadzean  
Chairman

.....  
Robert James Patrick

.....  
Walter Jacobus van den  
Heever

## 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 2016 - 28 February 2017, which comprise an 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 2017 and of the results of the Company's operations for the financial year 1 March 2016 - 28 February 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 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 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. 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 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 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 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 skepticism throughout the audit. We also:

- u 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.
- u 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.
- u Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent auditor's report

- u 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 conclusion is 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.
- u 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 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 our procedures, 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, 10 July 2017

ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Martin Alsbaek  
State Authorised Public Accountant

## Management's review

### Company details

Name	EPI-USE Denmark ApS
Address, Postal code, City	Hausergade 3, 5. sal, 1128 København K
CVR no.	35 86 74 57
Established	10 June 2014
Registered office	København
Financial year	1 March 2016 - 28 February 2017
Website	www.epiuse.com
E-mail	mail@adresse
Telephone	+45 72 26 07 50
Board of Directors	John Logan McFadzean, Chairman Robert James Patrick Walter Jacobus van den Heever
Executive Board	Morten Brøbecher Thorndahl, CEO Keld Johan Ebbesen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management commentary

### 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 2016/17 shows a loss of DKK 12,750,640 against DKK -15,631,522 last year, and the balance sheet at 28 February 2017 shows a negative equity of DKK 24,740,535. Management considers the Company's financial performance in the year as unsatisfactory.

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 2017/18 will be approved, against which background Management has presented the financial statement on a going concern assumption.

### 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 for the period 1 March 2016 - 28 February 2017

### Income statement

Note	DKK	<u>2016/17</u>	<u>2015/16</u>
	Gross margin	6,727,698	3,980,956
3	Staff costs	-17,980,748	-15,741,377
4	Depreciation and impairment of property, plant and equipment	-164,048	-103,160
	Other operating expenses	-19,175	0
	Profit/loss before net financials	-11,436,273	-11,863,581
5	Financial income	450,623	122,835
6	Financial expenses	-1,764,990	-3,890,776
	Profit/loss before tax	-12,750,640	-15,631,522
	Tax for the year	0	0
	Profit/loss for the year	<u>-12,750,640</u>	<u>-15,631,522</u>
	Recommended appropriation of profit/loss	-12,750,640	-15,631,522
	Retained earnings/accumulated loss	<u>-12,750,640</u>	<u>-15,631,522</u>

## Financial statements for the period 1 March 2016 - 28 February 2017

### Balance sheet

Note	DKK	<u>2016/17</u>	<u>2015/16</u>
	ASSETS		
	Fixed assets		
7	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	234,069	395,993
		<u>234,069</u>	<u>395,993</u>
8	Investments		
	Investments in group enterprises	0	0
	Receivables from group enterprises	819,529	1,362,523
	Deposits	208,519	321,400
		<u>1,028,048</u>	<u>1,683,923</u>
	Total fixed assets	<u>1,262,117</u>	<u>2,079,916</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	2,236,194	1,790,496
	Other receivables	0	25,411
	Prepayments	75,887	103,935
		<u>2,312,081</u>	<u>1,919,842</u>
	Cash	928,189	3,485,433
	Total non-fixed assets	<u>3,240,270</u>	<u>5,405,275</u>
	TOTAL ASSETS	<u><u>4,502,387</u></u>	<u><u>7,485,191</u></u>



## Financial statements for the period 1 March 2016 - 28 February 2017

### Balance sheet

Note	DKK	<u>2016/17</u>	<u>2015/16</u>
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	Share capital	60,000	60,000
	Retained earnings	<u>-24,800,535</u>	<u>-12,049,895</u>
	Total equity	<u>-24,740,535</u>	<u>-11,989,895</u>
	Liabilities		
	Current liabilities		
	Bank debt	112,588	0
	Trade payables	300,914	794,207
	Payables to group enterprises	25,690,601	15,351,009
	Other payables	3,064,908	2,919,350
	Deferred income	<u>73,911</u>	<u>410,520</u>
		<u>29,242,922</u>	<u>19,475,086</u>
	Total liabilities other than provisions	<u>29,242,922</u>	<u>19,475,086</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>4,502,387</u></u>	<u><u>7,485,191</u></u>

- 1 Accounting policies
- 2 Uncertainties regarding going concern
- 9 Contractual obligations and contingencies, etc.
- 10 Contingent assets

## Financial statements for the period 1 March 2016 - 28 February 2017

## Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 March 2016	60,000	-12,049,895	-11,989,895
Transfer through appropriation of loss	0	-12,750,640	-12,750,640
Equity at 28 February 2017	<u>60,000</u>	<u>-24,800,535</u>	<u>-24,740,535</u>

## Financial statements for the period 1 March 2016 - 28 February 2017

### Notes to the financial statements

#### 1 Accounting policies

The annual report of EPI-USE Denmark ApS for 2016/17 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.

#### Changes to presentation and disclosures only

Effective 1 March 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

#### 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 non-current assets.

## Financial statements for the period 1 March 2016 - 28 February 2017

## Notes to the financial statements

## 1 Accounting policies (continued)

## 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.

## 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

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.

## Financial statements for the period 1 March 2016 - 28 February 2017

## Notes to the financial statements

## 1 Accounting policies (continued)

## 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.

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.

## Financial statements for the period 1 March 2016 - 28 February 2017

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Deferred income

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

#### 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 2017/18 will be approved, against which background Management has presented the financial statement on a going concern assumption.

DKK	2016/17	2015/16
3 Staff costs		
Wages/salaries	16,234,698	13,851,429
Pensions	823,014	718,424
Other social security costs	106,792	114,245
Other staff costs	816,244	1,057,279
	<u>17,980,748</u>	<u>15,741,377</u>
Average number of full-time employees	<u>32</u>	<u>38</u>
4 Depreciation of property, plant and equipment		
Depreciation of property, plant and equipment	164,048	103,160
	<u>164,048</u>	<u>103,160</u>
5 Financial income		
Interest receivable, group entities	444,613	0
Other financial income	6,010	122,835
	<u>450,623</u>	<u>122,835</u>
6 Financial expenses		
Impairment of financial assets	1,741,461	3,446,163
Interest expenses, group entities	0	444,613
Other financial expenses	23,529	0
	<u>1,764,990</u>	<u>3,890,776</u>

## Financial statements for the period 1 March 2016 - 28 February 2017

### Notes to the financial statements

#### 7 Property, plant and equipment

DKK	Fixtures and fittings, other plant and equipment
Cost at 1 March 2016	511,136
Additions	21,299
Disposals	-19,175
Cost at 28 February 2017	513,260
Value adjustments at 1 March 2016	0
Value adjustments at 28 February 2017	0
Impairment losses and depreciation at 1 March 2016	115,143
Depreciation	164,048
Impairment losses and depreciation at 28 February 2017	279,191
Carrying amount at 28 February 2017	234,069

#### 8 Investments

DKK	Investments in group enterprises	Receivables from group enterprises	Deposits	Total
Cost at 1 March 2016	1,870,271	2,734,055	321,400	4,925,726
Additions	0	1,198,467	0	1,198,467
Disposals	0	0	-112,881	-112,881
Cost at 28 February 2017	1,870,271	3,932,522	208,519	6,011,312
Value adjustments at 1 March 2016	-1,870,271	-1,371,532	0	-3,241,803
Impairment losses	0	-1,741,461	0	-1,741,461
Value adjustments at 28 February 2017	-1,870,271	-3,112,993	0	-4,983,264
Carrying amount at 28 February 2017	0	819,529	208,519	1,028,048

Name	Legal form	Domicile	Interest	Equity DKK	Profit/loss DKK
Subsidiaries					
EPI-USE Finland Oy	Oy	Finland	100.00 %	-8,873,673	-5,589,909

## Financial statements for the period 1 March 2016 - 28 February 2017

## Notes to the financial statements

## 9 Contractual obligations and contingencies, etc.

## Other financial obligations

## Other rent and lease liabilities:

DKK	<u>2016/17</u>	<u>2015/16</u>
Rent and lease liabilities	<u>939,164</u>	<u>880,370</u>

## 10 Contingent assets

The Company has tax loss carryforwards totalling DKK 26,769 thousand. The nominal value thereof is 22%, totalling DKK 5,889 thousand. DKK 0 of the amount has been recognised in the balance sheet due to the uncertainty as to application of the tax losses.