

# Responsive Learning Systems ApS

Orient Plads 1, 1, 2150 Nordhavn

Company reg. no. 36 43 27 72

## Annual report

1 January - 31 December 2017

The annual report have been submitted and approved by the general meeting on the 14 June 2018.

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Jesper Roesgaard  
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

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## **Management's report**

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The executive board has today presented the annual report of Responsive Learning Systems ApS for the financial year 1 January to 31 December 2017.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

The executive board considers the requirements of omission of audit of the annual accounts for 2017 as met.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Nordhavn, 14 June 2018

### **Executive board**

Jens Ole Lebeck

Jesper Roesgaard

## **Auditor's report on compilation of the annual accounts**

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### **To the shareholders of Responsive Learning Systems ApS**

We have compiled the annual accounts of Responsive Learning Systems ApS for the period 1 January to 31 December 2017 based on the bookkeeping of the company and on further information you have provided.

The annual accounts comprise the accounting policies used, profit and loss account, balance sheet and notes.

We performed this engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist you in the preparation and presentation of the annual accounts in accordance with the Danish Financial Statements Act. We have complied with relevant requirements of the Danish Act on Approved Auditors and Audit Firms and with ethical requirements of the Danish Institute of State Authorised Public Accountants, including principles of integrity, objectivity, professional competence and due care.

The annual accounts and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the annual accounts. Accordingly, we do not express an audit opinion or a review conclusion on whether the annual accounts are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 14 June 2018

### **BUUS JENSEN**

State Authorised Public Accountants  
Company reg. no. 16 11 90 40

### **Arne Sørensen**

State Authorised Public Accountant  
MNE-nr. 27757

## **Company data**

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### **The company**

Responsive Learning Systems ApS  
Orient Plads 1, 1  
2150 Nordhavn

Company reg. no. 36 43 27 72  
Financial year: 1 January - 31 December

### **Executive board**

Jens Ole Lebeck  
Jesper Roesgaard

### **Auditors**

BUUS JENSEN, Statsautoriserede revisorer

## **Management's review**

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### **About**

Relesys is a software company, delivering customized communication & Performance Apps with a Mobilefirst mindset targeting large retailers in Scandinavia, Holland and Germany.

### **The Relesys App**

We customize the Performance App to match our client's needs, the existing flow of information and the visual identity of your brand. By using features based on intelligent software and elements of gamification, the app motivates all employees towards better performance and a proactive mindset.

### **Annual report**

2017 was an incredible growth year. Relesys is a rapidly growing company with a unique App concept and a strong customer base. Even with massive investments in our development department and client service team, we succeeded to keep a healthy organic growth and to be profitable to the benefit of the company's equity. As a note, the activities in Holland are now an independent company (Relesys B.V.) Their turnover and profit are no longer calculated into Relesys annual report.

### **Milestones**

In 2017 we doubled the number of clients and users and reached in December close to 60.000 active users in 44 countries. In June and July, we signed with two of Scandinavia's biggest retailers. In August, we moved to a new, creative headquarter in Copenhagen (Nordhavn), with the aim to provide the best possible settings for our employees and customers.

### **What to expect in 2018**

In 2018 we expect to enter two new markets; Singapore and USA. Our main focus is to consolidate our existing business in Scandinavia, Holland and Germany.

Relesys will continue the massive investments in development to make sure the software is in the forefront to the value of our customers.

### **Development in activities and financial matters**

The results from ordinary activities after tax are DKK 318.721 against DKK 710.145 last year. Management considers the result as satisfactory.

## **Accounting policies used**

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The annual report for Responsive Learning Systems ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

### **Changes in the accounting policies used**

The accounting policies have been changed in relation to development costs.

Costs incurred in connection with development costs are activated. Previously, the costs were expensed in the income statement

The change has lead to an increase of TDKK 740 in profit for the year. The balancesheet total has increased by TDKK 740 and the equity has increased by TDKK 577.

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

## **Accounting policies used**

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### **The profit and loss account**

#### **Gross profit**

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

#### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

#### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

#### **Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Dividend from equity investments is recognised in the financial year where the dividend is declared.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

#### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.



## Accounting policies used

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The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

### The balance sheet

#### **Intangible fixed assets**

##### **Development projects, patents, and licences**

Development costs and internally generated rights are recognised in the profit and loss account as costs in the acquisition year.

Development costs include expenses for salaries and depreciation, directly or indirectly attributable to development costs.

Development projects are measured at cost with deduction of accrued depreciation and write-downs.

Development costs are amortised over 3 years.

#### **Tangible fixed assets**

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	<i>Useful life</i>	<i>Residual value</i>
<i>Development projects</i>	<i>3 years</i>	<i>0 %</i>

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

## **Accounting policies used**

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### **Financial fixed assets**

#### **Other securities and equity investments**

Other unlisted securities are measured at cost. Writedown takes place to the recoverable amount, if this value is lower than the book value.

#### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

#### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

#### **Available funds**

Available funds comprise cash at bank and in hand.

### **Equity**

#### **Reserves for development costs**

Reserves for development costs comprise recognised development costs with deduction of related deferred tax liabilities. The reserves can not be used as dividend or for payment of losses. The reserves are reduced or dissolved if the recognised development costs are amortised or abandoned. This takes place by direct transfer to the distributable reserves of the equity.

#### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Responsive Learning Systems ApS is proportionally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

## **Accounting policies used**

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### **Liabilities**

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

### **Accrued expenses and deferred income**

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

## Profit and loss account 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2017</u>	<u>2016</u>
<b>Gross profit</b>	<b>4.937.388</b>	<b>2.732.259</b>
1 Staff costs	-4.264.269	-1.803.471
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-177.043	-1.098
<b>Operating profit</b>	<b>496.076</b>	<b>927.690</b>
2 Other financial costs	-50.532	-15.475
<b>Results before tax</b>	<b>445.544</b>	<b>912.215</b>
3 Tax on ordinary results	-126.823	-202.070
<b>Results from ordinary activities after tax</b>	<b>318.721</b>	<b>710.145</b>
<b>Results for the year</b>	<b>318.721</b>	<b>710.145</b>
<b>Proposed distribution of the results:</b>		
Allocated to results brought forward	0	710.145
Allocated to other statutory reserves	577.942	0
Allocated from results brought forward	-259.221	0
<b>Distribution in total</b>	<b>318.721</b>	<b>710.145</b>

## Balance sheet 31 December

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All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2017</u>	<u>2016</u>
<b>Fixed assets</b>		
4 Development projects in progress and prepayments for intangible fixed assets	740.952	0
Intangible fixed assets in total	740.952	0
5 Other plants, operating assets, and fixtures and furniture	25.246	38.422
Tangible fixed assets in total	25.246	38.422
6 Other securities and equity investments	37.982	37.982
7 Deposits	39.805	33.144
Financial fixed assets in total	77.787	71.126
<b>Fixed assets in total</b>	<b>843.985</b>	<b>109.548</b>
<b>Current assets</b>		
Trade debtors	1.758.518	1.520.445
Receivable corporate tax	42.850	0
Accrued income and deferred expenses	143.648	0
Debtors in total	1.945.016	1.520.445
Available funds	592.687	269.950
<b>Current assets in total</b>	<b>2.537.703</b>	<b>1.790.395</b>
<b>Assets in total</b>	<b>3.381.688</b>	<b>1.899.943</b>

## Balance sheet 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>		
<u>Note</u>	<u>2017</u>	<u>2016</u>
<b>Equity</b>		
8 Contributed capital	50.000	50.000
9 Other statutory reserves	577.942	0
10 Results brought forward	353.782	613.003
11 Proposed dividend for the financial year	0	100.000
<b>Equity in total</b>	<b>981.724</b>	<b>763.003</b>
<b>Provisions</b>		
Provisions for deferred tax	163.673	0
<b>Provisions in total</b>	<b>163.673</b>	<b>0</b>
<b>Liabilities</b>		
Bank debts	135.768	95.148
Trade creditors	435.277	391.178
Debt to group enterprises	202.699	0
Corporate tax	0	202.070
Other debts	1.056.583	448.544
Accrued expenses and deferred income	405.964	0
Short-term liabilities in total	2.236.291	1.136.940
<b>Liabilities in total</b>	<b>2.236.291</b>	<b>1.136.940</b>
<b>Equity and liabilities in total</b>	<b>3.381.688</b>	<b>1.899.943</b>

## 12 Contingencies

## Notes

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All amounts in DKK.

	2017	2016
<b>1. Staff costs</b>		
Salaries and wages	3.607.100	1.480.048
Pension costs	82.814	0
Other costs for social security	80.351	28.266
Other staff costs	494.004	295.157
	<b>4.264.269</b>	<b>1.803.471</b>
 Average number of employees	 13	 6
<b>2. Other financial costs</b>		
Other financial costs	50.532	15.475
	<b>50.532</b>	<b>15.475</b>
<b>3. Tax on ordinary results</b>		
Tax of the results for the year, parent company	-36.850	202.070
Adjustment for the year of deferred tax	163.673	0
	<b>126.823</b>	<b>202.070</b>
<b>4. Development projects in progress and prepayments for intangible fixed assets</b>		
Cost 1 January 2017	904.819	0
<b>Cost 31 December 2017</b>	<b>904.819</b>	<b>0</b>
Amortisation for the year	-163.867	0
<b>Amortisation and writedown 31 December 2017</b>	<b>-163.867</b>	<b>0</b>
 <b>Book value 31 December 2017</b>	 <b>740.952</b>	 <b>0</b>

## Notes

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All amounts in DKK.

	31/12 2017	31/12 2016
<b>5. Other plants, operating assets, and fixtures and furniture</b>		
Cost 1 January 2017	39.520	39.520
<b>Cost 31 December 2017</b>	<b>39.520</b>	<b>39.520</b>
Amortisation and writedown 1 January 2017	-1.098	-1.098
Depreciation for the year	-13.176	0
<b>Amortisation and writedown 31 December 2017</b>	<b>-14.274</b>	<b>-1.098</b>
<b>Book value 31 December 2017</b>	<b>25.246</b>	<b>38.422</b>
<b>6. Other securities and equity investments</b>		
Cost 1 January 2017	37.982	37.982
<b>Cost 31 December 2017</b>	<b>37.982</b>	<b>37.982</b>
<b>Book value 31 December 2017</b>	<b>37.982</b>	<b>37.982</b>
<b>7. Deposits</b>		
Cost 1 January 2017	33.144	33.144
Additions during the year	6.661	0
<b>Cost 31 December 2017</b>	<b>39.805</b>	<b>33.144</b>
<b>Book value 31 December 2017</b>	<b>39.805</b>	<b>33.144</b>
<b>8. Contributed capital</b>		
Contributed capital 1 January 2017	50.000	50.000
	<b>50.000</b>	<b>50.000</b>
<b>9. Other statutory reserves</b>		
Provisions of the results for the year	577.942	0
	<b>577.942</b>	<b>0</b>



## Notes

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All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>
<b>10. Results brought forward</b>		
Results brought forward 1 January 2017	613.003	2.858
Profit or loss for the year brought forward	<u>-259.221</u>	<u>610.145</u>
	<b><u>353.782</u></b>	<b><u>613.003</u></b>

### 11. Proposed dividend for the financial year

Dividend 1 January 2017	100.000	0
Distributed dividend	-100.000	0
Dividend for the financial year	<u>0</u>	<u>100.000</u>
	<b><u>0</u></b>	<b><u>100.000</u></b>

### 12. Contingencies

#### Joint taxation

Roesgaard & Co Holding ApS, company reg. no 37405299 being the administration company, the company is subject to the Danish scheme of joint taxation and it is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligation to withhold tax on interest, royalties and dividends of the jointly taxed companies.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

#### Rent contracts

The company has entered into a lease agreement. The lease obligation amounts to DKK 3.582 thousand.