KMD Venture A/S

Lautrupparken 40

2750 Ballerup

CVR No. 36985356

Annual Report 2016

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 31 May 2017.

Chairman

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KMD Venture A/S

Management's Statement

The Executive Board and the Board of Directors have today discussed and approved the annual report for the financial year 1 January 2016 - 31 December 2016 for KMD Venture A/S

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

In our opinion, the Financial Statements provide a fair presentation of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

In our opinion the Management's review provides a fair account of the circumstances discussed.

It is recommended that the annual report be approved by the Annual General Meeting.

Ballerup, 23 May 2017

Executive Board

Niklas Marschall
CEO

Board of Directors

Eva Benerke
Chair

Jannich Lund

Mette Kaagaard

Independent Auditor's Report

To the shareholders of KMD Venture A/S

Opinion
In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31-12-2016, and of the results of the Company's operations for the financial year 01-01-2016 - 31-12-2016 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of KMD Venture A/S for the financial year 01-01-2016 - 31-12-2016, which comprise Income Statement, Balance Sheet and notes, including a summary of significant accounting policies ("financial statements").

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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

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 Responsibility 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

Independent Auditor's Report

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 judgment and maintain professional skepticism 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 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 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.

Hellerup, 23 May 2017

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerskab
CVR-nr. 33 77 12 31

Mikkel Støy
State Authorised Public Accountant

Leif Ulbæk Jensen
State Authorised Public Accountant

Company details

Company	KMD Venture A/S Lautrupparken 40 2750 Ballerup
CVR No.	36985356
Financial year	1 January 2016 - 31 December 2016
Board of Directors	Eva Benerke, Chairman Jannich Lund Mette Kaagaard
Executive Board	Niklas Marschall, CEO
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerskab CVR-no.: 33771231

Management's Review

The entity's principal activities
The entity's pricipal activities is to identify and invest in opportunities that are not naturally captured by KMD's ongoing business, but in the long term may have significant strategic and financial importance for KMD. Through direct investment in innovative start-ups and in partnerships with other companies, KMD expects to develop a stronger innovation capability and a faster and more flexible approach to try out new business opportunities.

Development in activities and financial matters
The entity's income statement of the financial year 01-01-2016 - 31-12-2016 shows a result of TDKK -79 and the Balance sheet at 31-12-2016 a balance sheet total of TDKK 2.247 and an Equity of 421.

KMD Venture A/S will always invest together with other companies and contribute with knowledge as well as pre-seed or seed funding to concepts or newly established start-ups.

In 2016 KMD Venture purchased shares in the following companies:

Legacy ApS
Dansk Teknologisk Læringsdesign IVS
Creditto ApS
Code Creation IVS

As the investments are made in startup companies uncertainties exist regarding the future cash flow from the investments.
Post Financial year events
After the end of the financial year, no events have occurred which may change the financial position of the entity Substantially.

Accounting Policies

Reporting Class
The Annual Report of KMD Venture A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Company has implemented the amendments of the Danish Financial Statements Act which became effective on 1 January 2016, see Act No 738 of 1 June 2015.

The amendments of the Danish Financial Statements Act, which became effective on 1 January 2016, have not affected the financial position of the Company at 31 December 2016, but have only implied a change in the disclosures in the Annual Report.

Reporting currency
The Annual Report is presented in Thousand Danish kroner (t.kr.).

General Information

Basis of recognition and measurement
Revenue is recognized in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the revenue for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions, as well as reversals as a result of changes to accounting estimates previously recognized in the income statement.

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will flow out of the company, and the value of the liability can be measured reliably.

Assets and liabilities are initially recognized at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments with addition/deduction of the cumulative amortization of any difference between cost and the nominal amount. Any exchange gains and losses are recognized over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the annual report which confirm or refute circumstances existing at the balance sheet date.

Income Statement

Other external expenses
Other external expenses include expenses relating to sales and administration.

Income from equity investments in associates
Income from equity investments comprises dividends received from associates in so far as they do not exceed the accumulated earnings in the group enterprise or the associate during the ownership period.

Financial income and expenses
Financial income and expenses are recognized in the income statement at the amounts relating to the financial

Accounting Policies

year. Financial items comprise interest income and expenses, realized and unrealized exchange gains and losses relating to securities, debt and transactions in foreign currencies, dividends received on other equity investments, amortization of financial assets and liabilities, and additions and reimbursements under the on-account tax scheme.

Tax on net profit/loss for the year
Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Investments
Equity investments in associates are measured in the company's financial statements at cost less write-downs.

Loans to associates are recognized in the financial statements under Investments provided they are non-current.

This accounting item includes write-downs and the dividend for the year from associates. The dividend is recognized when the shareholder's dividend entitlement is approved by the competent company bodies.

If the dividend exceeds total earnings since the acquisition date, it is recognized as a write-down of the cost of the investment.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Financial liabilities
Financial liabilities are recognized when a loan is raised at the proceeds received less transaction costs incurred. Interest-bearing debt is subsequently measured at amortized cost on the basis of the effective interest rate on the borrowing date.

Payables to group companies and other debt is measured at amortized cost, equivalent to the nominal debt outstanding.

Current tax liabilities
Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Contingent assets and liabilities
Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

KMD Venture A/S

Income Statement

	Note	2016 tkr.	2015 tkr.
Other external expenses		-34	0
Gross result		-34	0
Finance expences	1	-53	0
Profit from ordinary activities before tax		-87	0
Tax expense on ordinary activities		8	0
Profit		-79	0
Proposed distribution of results			
Retained earnings		-79	0
		-79	0

KMD Venture A/S

Balance Sheet as of 31. December

Assets	Note	2016 tkr.	2015 tkr.
Long-term investments in associates	2	1.837	24
Investments		**1.837**	**24**
Fixed assets		**1.837**	**24**
Short-term receivables from associates		300	0
Short-term tax receivables		8	0
Receivables		**308**	**0**
Cash and cash equivalents		**102**	**476**
Current assets		**410**	**476**
Assets		**2.247**	**500**

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Balance Sheet as of 31. December

	Note	2016 tkr.	2015 tkr.
Liabilities and equity			
Contributed capital		500	500
Retained earnings		-79	0
Equity	3	**421**	**500**
Payables to parent company		1.796	0
Other payables		30	0
Short-term liabilities other than provisions		**1.826**	**0**
Liabilities other than provisions within the business		**1.826**	**0**
Liabilities and equity		**2.247**	**500**

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Notes

1. Finance expenses

	2016	2015
Finance expenses arising from group enterprises	53	0
	53	0

2. Disclosure in long-term investments in group enterprises and associates

Associates

Name	Registered office	Share held in %	Equity	Profit/loss
Relabee ApS *	Copenhagen	41,20	100	0
Legacy ApS *	Copenhagen	42,90	54	0
Dansk Teknologisk læringsdesign IVS *	Odense	8,20	2	0
Creditto ApS *	Copenhagen	5,30	53	0
Code Creation IVS **	Copenhagen	15,00	12	-173
			221	-173

* Has as of 31.12.2016 not yet prepared an annual report.
** Code Creation IVS figures as of 31.10.2016.

Notes

3. Statement of changes in equity

	Contributed capital	Retained earnings	I alt
Equity, beginning balance	500	0	500
Net profit/loss for the year		-79	-79
	500	**-79**	**421**

The share capital has remained unchanged for the last 5 years.

4. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

5. Collaterals and securities

No securities or mortgages exist at the balance sheet date.

The shares in KMD Venture A/S have been pledged as security for the senior loan agreement.

KMD Venture A/S is jointly taxed with the other Danish companies in the KMD Holding ApS Group. The joint taxation also covers withholding tax in the form of tax on dividends, royalties and interest. The Danish companies are jointly and severally liable for the joint taxation. Any subsequent corrections to the taxable income subject to joint taxation or withholding taxes may lead to a higher liability.

6. Related parties

The following shareholder is listed in the Company's register of shareholders as holding a minimum of 5% of the votes or a minimum of 5% of the share capital: KMD A/S

KMD A/S has Domicile in Ballerup, Denmark.

KMD Venture is fully owned by KMD A/S which is a part of KMD Holding ApS Group. A copy of the Consolidated Financial Statements can be obtained through the Company Secretary at Lautrupparken 40, 2750 Ballerup, Denmark.