

Vendigo Finance Denmark ApS

Langebrogade 6 E, 1. sal, 1411 Copenhagen K

CVR no. 37 49 05 20

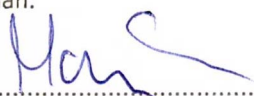


Annual report 2016

(As of the establishment of the Company 25 February - 31 December 2016)

Approved at the annual general meeting of shareholders on 31 May 2017

Chairman:



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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Vendigo Finance Denmark ApS for the financial year as of the establishment of the Company 25 February - 31 December 2016.

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

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year as of the establishment of the Company 25 February - 31 December 2016.

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

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

Copenhagen, 31 May 2017
Executive Board:

A handwritten signature in blue ink, appearing to read 'M. Simonsen', written over a horizontal dotted line.

Martin Simonsen
CEO

Independent auditor's report

To the shareholders of Vendigo Finance Denmark ApS

Opinion

We have audited the financial statements of Vendigo Finance Denmark ApS for the financial year as of the establishment of the Company 25 February - 31 December 2016, 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 31 December 2016 and of the results of the Company's operations for the financial year as of the establishment of the company 25 February - 31 December 2016 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:

- ▶ 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.

Independent auditor's report

- 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.
- 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, 31 May 2017

Ernst & Young

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Michael Groth Hansen

State Authorised Public Accountant



Management's review

Company details

Name	Vendigo Finance Denmark ApS
Address, Postal code, City	Langebrogade 6 E, 1. sal, 1411 Copenhagen K
CVR no.	37 49 05 20
Established	25 February 2016
Registered office	Copenhagen
Financial year	25 February - 31 December 2016
Executive Board	Martin Simonsen, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

The purpose of the company is to operate an online platform and related business.

Financial statements for the period 25 February - 31 December

Income statement

Note	DKK	2016 10 months
	Revenue	43,809
	Other external expenses	-1,871,763
	Gross margin	-1,827,954
2	Staff costs	-1,727,545
	Depreciation on property, plant and equipment	-3,333
	Other operating expenses	-1,661,626
	Profit/loss before net financials	-5,220,458
3	Financial income	3,639
4	Financial expenses	-3,396
	Profit/loss for the year	-5,220,215
	Recommended appropriation of profit/loss	
	Retained earnings/accumulated loss	-5,220,215
		-5,220,215



Financial statements for the period 25 February - 31 December

Balance sheet

Note	DKK	<u>2016</u>
	ASSETS	
	Fixed assets	
5	Property, plant and equipment	
	Fixtures and fittings, other plant and equipment	26,667
		<u>26,667</u>
	Total fixed assets	<u>26,667</u>
	Non-fixed assets	
	Receivables	
	Trade receivables	21,849
	Other receivables	26,867
		<u>48,716</u>
	Cash	226,986
	Total non-fixed assets	<u>275,702</u>
	TOTAL ASSETS	<u><u>302,369</u></u>



Financial statements for the period 25 February - 31 December

Balance sheet

Note	DKK	<u>2016</u>
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	50,000
	Retained earnings	<u>-5,220,215</u>
	Total equity	<u>-5,170,215</u>
	Liabilities	
	Current liabilities	
	Payables to group enterprises	5,280,722
	Other payables	189,218
	Deferred income	<u>2,644</u>
		<u>5,472,584</u>
	Total liabilities other than provisions	<u>5,472,584</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>302,369</u></u>

- 1 Accounting policies
- 6 Related parties

Financial statements for the period 25 February - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 25 February 2016	0	0	0
Transfer through appropriation of loss	0	-5,220,215	-5,220,215
Cash payments concerning formation of enterprise	50,000	0	50,000
Equity at 31 December 2016	50,000	-5,220,215	-5,170,215

At 31 December 2016, the Company lost more than half of its share capital with a negative equity of DKK 5,170 thousand. In accordance with section 119 of the Danish Companies Act, the Executive Board is to consider whether the Company's capital resources are sound in the context of the Company's continued operations. The Executive Board expects to re-establish the equity by profits earned in the years to come.

The parent company has issued a letter of support dated 24 May 2017 confirming that sufficient financing will be made available as necessary to ensure the Company's ability to continue as a going concern for the next 12 months ending 31 May 2018.

Financial statements for the period 25 February - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Vendigo Finance Denmark ApS for 2016 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.

Income statement

Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including advertising, administration, premises, bad debts, payments under operating leases and net gains or losses on the sale of non-current assets.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to sale and costs paid or payable for development, upgrade and maintenance of online platform.

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.

Financial statements for the period 25 February - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

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.

Other payables

Other payables are measured at amortised cost.

Deferred income

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

Financial statements for the period 25 February - 31 December

Notes to the financial statements

	DKK	2016 10 months
2 Staff costs		
Wages/salaries		1,680,291
Other social security costs		23,449
Other staff costs		23,805
		<u>1,727,545</u>
Average number of full-time employees		<u>9</u>
3 Financial income		
Exchange gain		<u>3,639</u>
		<u>3,639</u>
4 Financial expenses		
Exchange losses		<u>3,396</u>
		<u>3,396</u>
5 Property, plant and equipment		
		Fixtures and fittings, other plant and equipment
		<u> </u>
DKK		
Additions		<u>30,000</u>
Cost at 31 December 2016		<u>30,000</u>
Depreciation		<u>3,333</u>
Impairment losses and depreciation at 31 December 2016		<u>3,333</u>
Carrying amount at 31 December 2016		<u>26,667</u>
Amortised over		<u>3-5 years</u>
6 Related parties		
Information about consolidated financial statements		
<u>Parent</u>		<u>Domicile</u>
Vendigo Finance Group Limited		United Kingdom (England and Wales)