

# **Founders A/S**

**Skelbækgade 2-4, 5., 1717 København V**

**Company reg. no. 34 59 84 60**

## **Annual report**

**1 January - 31 December 2017**

The annual report have been submitted and approved by the general meeting on the 23 March 2018.

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**Christoffer Galbo**  
Chairman of the meeting

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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 %.

## **Management's report**

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The board of directors and the executive board have today presented the annual report of Founders A/S 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.

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.

Copenhagen, 23 March 2018

### **Executive board**

Ulrik Trolle

Peter Heering

### **Board of directors**

Niels Jacobsen

Rasmus Tim Bjerngaard

Christoffer Galbo

Paul Henrik Østergaard

## **Independent auditor's report**

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### **To the shareholders of Founders A/S**

#### **Opinion**

We have audited the annual accounts of Founders A/S for the financial year 1 January to 31 December 2017, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January to 31 December 2017 in accordance with the Danish Financial Statements Act.

#### **Basis for opinion**

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

#### **The management's responsibilities for the annual accounts**

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

## **Independent auditor's report**

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- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

### **Statement on the management's review**

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

## **Independent auditor's report**

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Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 23 March 2018

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36

**Michael Winther Rasmussen**  
State Authorised Public Accountant  
MNE-nr. 28708

**Jacob Helly Juell-Hansen**  
State Authorised Public Accountant  
MNE-nr. 36169

## Company data

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### The company

Founders A/S  
Skelbækgade 2-4, 5.  
1717 København V

Web site                      [www.founders.as](http://www.founders.as)

Company reg. no.        34 59 84 60

Domicile:                      Copenhagen

Financial year:            1 January - 31 December  
6th financial year

### Board of directors

Niels Jacobsen  
Rasmus Tim Bjerngaard  
Christoffer Galbo  
Paul Henrik Østergaard

### Executive board

Ulrik Trolle  
Peter Heering

### Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

## **Management's review**

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### **The principal activities of the company**

Founders is a start-up studio. We build companies from scratch and attract talented individuals to join and eventually run them. Our mission is to be synonymous with early-stage company building and the ultimate partner for the best people who want to build ambitious, innovative companies. Our partners are either Co-Founders who develop and ultimately lead companies created in our studio, or early-stage teams we invest in and work with applying our platform of expertise. At our core, we are company builders and therefore Founders A/S is a development company rather than an investment company. The company's owners have a combined tradition of doing business with the priority of long-term value without targeted exit strategies. It is the company's aim to maintain this mindset in Founders A/S.

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

The result for the year is tDKK -20.228 against tDKK -30.067 last year.

The company is still in a development phase, which means that the company has not yet received any income from the the ongoing projects. With this in mind, the management considers the result for the year satisfactory and in accordance with expectations.

## **Accounting policies used**

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The annual report for Founders A/S 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.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

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

#### **Gross loss**

The gross loss 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.

Other external costs comprise costs for administration, premises etc.

#### **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.

#### **Net financials**

Net financials include interest income and interest expenses. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

#### **Writedowns relating financial assets**

Writedowns relating financial assets comprise writedown of investments and other financial assets.

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

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

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).

## **Accounting policies used**

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### The balance sheet

#### **Financial fixed assets**

##### **Equity investments in group enterprises and associated enterprises**

Equity investments in group enterprises and associated enterprises are measured at cost. In case the recoverable amount is lower than the cost, writedown takes place to this lower 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.

##### **Liabilities**

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

## 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 loss</b>	<b>-6.014.954</b>	<b>-4.715.428</b>
1 Staff costs	-11.281.714	-8.908.777
<b>Operating profit</b>	<b>-17.296.668</b>	<b>-13.624.205</b>
Other financial income from group enterprises	1.307.584	1.872.467
Other financial income	-57.207	-715
Writedown relating to financial assets	-5.019.065	-18.803.596
Other financial costs	-841	-7.093
<b>Results before tax</b>	<b>-21.066.197</b>	<b>-30.563.142</b>
Tax on ordinary results	838.369	496.228
<b>Results for the year</b>	<b>-20.227.828</b>	<b>-30.066.914</b>
 <b>Proposed distribution of the results:</b>		
Allocated from results brought forward	-20.227.828	-30.066.914
<b>Distribution in total</b>	<b>-20.227.828</b>	<b>-30.066.914</b>

**Balance sheet 31 December**

All amounts in DKK.

<b>Assets</b>		<u>2017</u>	<u>2016</u>
<u>Note</u>			
<b>Fixed assets</b>			
2 Equity investments in group enterprises		82.821.678	38.765.999
Other debtors		13.970.054	13.092.852
Deposits		1.153.950	1.154.700
Financial fixed assets in total		<u>97.945.682</u>	<u>53.013.551</u>
<b>Fixed assets in total</b>		<b><u>97.945.682</u></b>	<b><u>53.013.551</u></b>
<b>Current assets</b>			
Trade debtors		203.466	218.766
Other debtors		2.239.019	941.468
Accrued income and deferred expenses		1.412.021	24.683
Debtors in total		<u>3.854.506</u>	<u>1.184.917</u>
Available funds		<u>17.743.436</u>	<u>1.328.971</u>
<b>Current assets in total</b>		<b><u>21.597.942</u></b>	<b><u>2.513.888</u></b>
<b>Assets in total</b>		<b><u>119.543.624</u></b>	<b><u>55.527.439</u></b>

**Balance sheet 31 December**

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2017</u>	<u>2016</u>
<b>Equity</b>			
3	Contributed capital	19.990.000	11.550.000
4	Results brought forward	98.227.160	42.494.988
	<b>Equity in total</b>	<b><u>118.217.160</u></b>	<b><u>54.044.988</u></b>
<b>Liabilities</b>			
	Deposits	6.000	0
	Long-term liabilities in total	<u>6.000</u>	<u>0</u>
	Prepayments received from customers	6.400	0
	Trade creditors	208.305	233.498
	Debt to group companies	50.094	49.954
	Other debts	1.055.665	1.198.999
	Short-term liabilities in total	<u>1.320.464</u>	<u>1.482.451</u>
	<b>Liabilities in total</b>	<b><u>1.326.464</u></b>	<b><u>1.482.451</u></b>
	<b>Equity and liabilities in total</b>	<b><u>119.543.624</u></b>	<b><u>55.527.439</u></b>

**5 Contingencies**

## Notes

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All amounts in DKK.

	<u>2017</u>	<u>2016</u>
<b>1. Staff costs</b>		
Salaries and wages	11.133.727	8.784.410
Other costs for social security	67.405	57.275
Other staff costs	<u>80.582</u>	<u>67.092</u>
	<b><u>11.281.714</u></b>	<b><u>8.908.777</u></b>
<b>2. Equity investments in group enterprises</b>		
Acquisition sum, opening balance 1 January 2017	38.765.999	29.075.822
Additions during the year	46.255.679	14.347.586
Disposals during the year	<u>-2.200.000</u>	<u>-4.657.409</u>
<b>Cost 31 December 2017</b>	<b><u>82.821.678</u></b>	<b><u>38.765.999</u></b>
<b>Book value 31 December 2017</b>	<b><u>82.821.678</u></b>	<b><u>38.765.999</u></b>
<b>3. Contributed capital</b>		
Contributed capital 1 January 2017	11.550.000	8.130.000
Cash capital increase	<u>8.440.000</u>	<u>3.420.000</u>
	<b><u>19.990.000</u></b>	<b><u>11.550.000</u></b>
<b>4. Results brought forward</b>		
Results brought forward 1 January 2017	42.494.988	41.781.902
Profit or loss for the year brought forward	-20.227.828	-30.066.914
Distribution of share premium	<u>75.960.000</u>	<u>30.780.000</u>
	<b><u>98.227.160</u></b>	<b><u>42.494.988</u></b>

## Notes

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All amounts in DKK.

### 5. Contingencies

The Company has entered a lease agreement on the Company's offices. The lease agreement has a remaining term of approximately 3,5 years with an average annual payment of tDKK 1.888.

#### Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

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