

Worksome ApS
Langelinie Allé 47
2100 Copenhagen Ø
Business Registration No
37990485

Annual report 2018

The Annual General Meeting adopted the annual report on 31.05.2019

Chairman of the General Meeting

Name: Gorm Sig Rasmussen

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Entity details

Entity

Worksome ApS
Langelinie Allé 47
2100 Copenhagen Ø

Central Business Registration No (CVR): 37990485

Registered in: Copenhagen

Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Gorm Sig Rasmussen, Chairman
Mathias Agger Nordkvist Linnemann
Hans Peter Galouzis Nielsen
Morten Petersen
Peter Michael Knud Oxholm Zigler

Executive Board

Morten Petersen, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
PO Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Worksome ApS for the financial year 01.01.2018 - 31.12.2018.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31.05.2019

Executive Board

Morten Petersen
CEO

Board of Directors

Gorm Sig Rasmussen
Chairman

Mathias Agger Nordkvist
Linnemann

Hans Peter Galouzis Nielsen

Morten Petersen

Peter Michael Knud Oxholm
Zigler

Independent auditor's report

To the shareholders of Worksome ApS

Opinion

We have audited the financial statements of Worksome ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 these 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 scepticism throughout the audit. We also:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 of the management commentary.

Copenhagen, 31.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Claus Jorch Andersen
State-Authorised Public Accountant
Identification No (MNE) mne33712

Management commentary

Primary activities

The Company's primary activity is to function as a communication platform between companies and self-employed consultants and freelancers.

Development in activities and finances

2018 was a year of strong growth in both business activity and revenue. Net revenue increased more than 450% driven primarily by a significant increase in users on our platform. The number of freelancer profiles on the platform grew approximately 2.5 times and the number of company profiles grew almost 4 times taking the combined number of freelancer and company profiles to more than 15,000 by the end of December. We also welcomed our first customers outside of Denmark and we took the first steps to begin the internationalization of the company.

We continued to make significant investments in both people and further development of the platform to build an even stronger foundation to support continued growth in Denmark as well as in new international markets.

Management is overall very satisfied with the development and financial results for 2018.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2016/17 DKK</u>
Gross profit/loss		(1.196.549)	51.868
Staff costs	1	(3.404.253)	(1.563.678)
Depreciation, amortisation and impairment losses	2	<u>(458.860)</u>	<u>(117.899)</u>
Operating profit/loss		(5.059.662)	(1.629.709)
Other financial income	3	1.282	0
Other financial expenses	4	<u>(33.421)</u>	<u>(1.626)</u>
Profit/loss before tax		(5.091.801)	(1.631.335)
Tax on profit/loss for the year	5	<u>0</u>	<u>523.576</u>
Profit/loss for the year		<u>(5.091.801)</u>	<u>(1.107.759)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(5.091.801)</u>	<u>(1.107.759)</u>
		<u>(5.091.801)</u>	<u>(1.107.759)</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2016/17 DKK</u>
Development projects in progress		2.150.931	825.291
Intangible assets	6	2.150.931	825.291
Investments in group enterprises		0	0
Deposits		34.200	24.000
Fixed asset investments	7	34.200	24.000
Fixed assets		2.185.131	849.291
Trade receivables		2.000.489	361.583
Deferred tax		523.576	523.576
Other receivables		451.739	0
Receivables		2.975.804	885.159
Cash		5.658.353	1.231.514
Current assets		8.634.157	2.116.673
Assets		10.819.288	2.965.964

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2016/17 DKK</u>
Contributed capital		82.367	64.432
Reserve for development expenditure		1.677.726	643.727
Retained earnings		<u>6.613.156</u>	<u>2.040.890</u>
Equity		<u>8.373.249</u>	<u>2.749.049</u>
Trade payables		1.940.730	246
Payables to shareholders and management		0	15.000
Other payables		<u>505.309</u>	<u>201.669</u>
Current liabilities other than provisions		<u>2.446.039</u>	<u>216.915</u>
Liabilities other than provisions		<u>2.446.039</u>	<u>216.915</u>
Equity and liabilities		<u>10.819.288</u>	<u>2.965.964</u>
Unrecognised rental and lease commitments	8		

Statement of changes in equity for 2018

	Contribute d capital DKK	Share premium DKK	Reserve for developme nt expenditur e DKK
Equity beginning of year	64.432	0	643.727
Increase of capital	17.935	10.698.066	0
Transferred from share premium	0	0	0
Transfer to reserves	0	(10.698.066)	0
Profit/loss for the year	0	0	1.033.999
Equity end of year	82.367	0	1.677.726

	Retained earnings DKK	Total DKK
Equity beginning of year	2.040.890	2.749.049
Increase of capital	0	10.716.001
Transferred from share premium	10.698.066	10.698.066
Transfer to reserves	0	(10.698.066)
Profit/loss for the year	(6.125.800)	(5.091.801)
Equity end of year	6.613.156	8.373.249

For the purpose of offering incentive pay in the form of share options, the Company's Board of Directors is authorised for the period until 30 September 2023 once or several times to increase the Company's share capital with up to nominally 8,237 shares in total without pre-emption right for the Company's shareholders. The authorisation empowers the Board of Directors to determine the terms for the granted share options, including the exercise price.

Notes

	2018	2016/17
	DKK	DKK
1. Staff costs		
Wages and salaries	3.174.586	1.485.960
Other social security costs	56.562	8.520
Other staff costs	173.105	69.198
	3.404.253	1.563.678
Average number of employees	7	4
	2018	2016/17
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	458.860	117.899
	458.860	117.899
	2018	2016/17
	DKK	DKK
3. Other financial income		
Other interest income	1.085	0
Exchange rate adjustments	197	0
	1.282	0
	2018	2016/17
	DKK	DKK
4. Other financial expenses		
Other interest expenses	28.958	1.627
Exchange rate adjustments	220	0
Other financial expenses	4.243	(1)
	33.421	1.626
	2018	2016/17
	DKK	DKK
5. Tax on profit/loss for the year		
Change in deferred tax	0	(523.576)
	0	(523.576)

Notes

	Develop- ment projects in progress DKK
	<u>DKK</u>
6. Intangible assets	
Cost beginning of year	943.190
Additions	<u>1.784.500</u>
Cost end of year	<u>2.727.690</u>
Amortisation and impairment losses beginning of year	(117.899)
Impairment losses for the year	<u>(458.860)</u>
Amortisation and impairment losses end of year	<u>(576.759)</u>
Carrying amount end of year	<u>2.150.931</u>

Development projects

The development projects comprise digital development of a digital market place, which the Company uses in its operations. The platform is used by the Company's customers and employees. The platform is continuously further developed and the projects are continuously completed and put to use, after which amortisation is commenced.

With reference to section 83(2) of the Danish Financial Statement Act, deferred tax is set off against the capitalised costs for development projects in the reserve for development costs under equity.

	Invest- ments in group enterprises DKK	Deposits DKK
	<u>DKK</u>	<u>DKK</u>
7. Fixed asset investments		
Cost beginning of year	0	24.000
Additions	<u>1</u>	<u>10.200</u>
Cost end of year	<u>1</u>	<u>34.200</u>
Impairment losses for the year	<u>(1)</u>	<u>0</u>
Impairment losses end of year	<u>(1)</u>	<u>0</u>
Carrying amount end of year	<u>0</u>	<u>34.200</u>

Notes

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
Investments in group enterprises comprise:			
WorkSome LTD	London	LTD	100,0

	<u>2018 DKK</u>	<u>2016/17 DKK</u>
8. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	<u>19.000</u>	<u>13.000</u>

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

Non-comparability

The Company's financial year comprises 12 months against 16 months last year, as the Company prolonged its financial year in the start-up year. Consequently, the comparative figures in the income statement are not directly comparable.

Changes in accounting policies

Development projects are recognised as intangible assets in the balance sheet. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down. Previously, development costs were recognised in the income statement as incurred.

The change in accounting policies is substantiated by the fact that the extent of the Company's development projects is increasing, which is why Management considers it more fair that the value of the development projects is reflected in the balance sheet. The change in accounting policies has affected results for the year by DKK 825 thousand. The balance sheet total and equity are positively affected by DKK 825 thousand. The comparative figures have been restated.

Except from this, the accounting policies applied to these financial statements are consistent with those applied last year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and other external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Accounting policies

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation and impairment losses relating to intangible assets comprise amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Accounting policies

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 4 years.

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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