

Orchestra A/S
Højbro Plads 10, 1.
1200 København K
Business Registration No
21744409

**Annual report 01.09.2017
- 31.03.2018**

The Annual General Meeting adopted the annual report on 31.08.2018

Chairman of the General Meeting

Name: Oskar Philip Justesen Lauritzen

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Entity details

Entity

Orchestra A/S
Højbro Plads 10, 1.
1200 København K

Central Business Registration No (CVR): 21744409

Registered in: København

Financial year: 01.09.2017 - 31.03.2018

Board of Directors

Claude Roy, Chairman
Hélène Marie Isabelle Hallak
Paul Bourque

Executive Board

Oskar Philip Justesen Lauritzen, General Manager

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København 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 Orchestra A/S for the financial year 01.09.2017 - 31.03.2018.

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 31.03.2018 and of the results of its operations for the financial year 01.09.2017 - 31.03.2018.

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, 31.08.2018

Executive Board

Oskar Philip Justesen
Lauritzen
General Manager

Board of Directors

Claude Roy
Chairman

Hélène Marie Isabelle Hallak

Paul Bourque

Independent auditor's reports

To the owner of Orchestra A/S

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Orchestra A/S for the financial year 01.09.2017 – 31.03.2018. The financial statements, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes, are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2018 and of the results of its operations for the financial year 01.09.2017 - 31.03.2018 in accordance with the Danish Financial Statements Act.

Emphasis of matter affecting the financial statements

Without modifying our opinion, we refer to note 1 in which the uncertainty about the continued operations of the Company is described.

Management expects the Parent to finance Orchestra A/S when required. Management has therefore presented the financial statements based on the assumption that the Company is a going concern.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the extended review of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Copenhagen, 31.08.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Bjørn Winkler Jakobsen

State-Authorised Public Accountant

Identification No (MNE) mne32127

Management commentary

Primary activities

The Company's primary activity comprises developing and selling software and related activities.

Development in activities and finances

After the change of the financial year, the financial year covers 7 months against 12 months last year.

The Company has been taken over by Mediagrif which has affected the Company's operations.

The Company has realised a gain of DKK 1,105 thousand which Management considers satisfactory.

Outlook

The Company acts as head office for all of the Parent's European activities.

The Company has lost its equity. The Company, therefore, still falls within the provisions of the Danish Public Companies Act governing loss of capital. The Parent has declared that it will support the Company with its obligations.

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 2017/18 (7 mths.)

	<u>Notes</u>	2017/18 (7 mths.) DKK	2016/17 DKK'000
Gross profit		4.501.420	927
Staff costs	2	(3.125.109)	(6.115)
Depreciation, amortisation and impairment losses	3	(11.068)	(19)
Operating profit/loss		1.365.243	(5.207)
Other financial expenses	4	(260.159)	(316)
Profit/loss for the year		1.105.084	(5.523)
Proposed distribution of profit/loss			
Retained earnings		1.105.084	(5.523)
		1.105.084	(5.523)

Balance sheet at 31.03.2018

	<u>Notes</u>	<u>2017/18 (7 mths.) DKK</u>	<u>2016/17 DKK'000</u>
Completed development projects		0	0
Intangible assets	5	<u>0</u>	<u>0</u>
Other fixtures and fittings, tools and equipment		21.052	32
Property, plant and equipment	6	<u>21.052</u>	<u>32</u>
Other receivables		75.640	89
Fixed asset investments		<u>75.640</u>	<u>89</u>
Fixed assets		<u>96.692</u>	<u>121</u>
Trade receivables		205.386	81
Other receivables		60.355	27
Receivables		<u>265.741</u>	<u>108</u>
Cash		<u>463.561</u>	<u>243</u>
Current assets		<u>729.302</u>	<u>351</u>
Assets		<u>825.994</u>	<u>472</u>

Balance sheet at 31.03.2018

	<u>Notes</u>	<u>2017/18 (7 mths.) DKK</u>	<u>2016/17 DKK'000</u>
Contributed capital		601.524	602
Retained earnings		<u>(11.012.547)</u>	<u>(12.118)</u>
Equity		<u>(10.411.023)</u>	<u>(11.516)</u>
Trade payables		152.469	187
Payables to group enterprises		10.392.656	11.007
Other payables		<u>691.892</u>	<u>794</u>
Current liabilities other than provisions		<u>11.237.017</u>	<u>11.988</u>
Liabilities other than provisions		<u>11.237.017</u>	<u>11.988</u>
Equity and liabilities		<u>825.994</u>	<u>472</u>
Going concern	1		

Statement of changes in equity for 2017/18 (7 mths.)

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	601.524	(12.117.631)	(11.516.107)
Profit/loss for the year	0	1.105.084	1.105.084
Equity end of year	601.524	(11.012.547)	(10.411.023)

Notes

1. Going concern

The continued operations of the Company depend on the Parent to finance Orchestra A/S when required. Consequently, Management has presented the financial statements on a going concern basis.

The Company has still lost its equity and falls within the provisions of the Danish Companies Act governing loss of capital. Management expects that the Company will be able to re-establish its share capital in the long term through future earnings and/or capital injections.

	2017/18 (7 mths.) DKK	2016/17 DKK'000
2. Staff costs		
Wages and salaries	3.053.366	6.033
Other social security costs	6.877	68
Other staff costs	64.866	14
	3.125.109	6.115
Average number of employees	5	8

	2017/18 (7 mths.) DKK	2016/17 DKK'000
3. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	11.068	19
	11.068	19

	2017/18 (7 mths.) DKK	2016/17 DKK'000
4. Other financial expenses		
Other interest expenses	235.969	277
Exchange rate adjustments	2.421	0
Other financial expenses	21.769	39
	260.159	316

Notes

	Completed develop- ment projects DKK
	<u>DKK</u>
5. Intangible assets	
Cost beginning of year	<u>1.800.589</u>
Cost end of year	<u>1.800.589</u>
Amortisation and impairment losses beginning of year	<u>(1.800.589)</u>
Amortisation and impairment losses end of year	<u>(1.800.589)</u>
Carrying amount end of year	<u>0</u>
	Other fixtures and fittings, tools and equipment DKK
	<u>DKK</u>
6. Property, plant and equipment	
Cost beginning of year	<u>131.759</u>
Cost end of year	<u>131.759</u>
Depreciation and impairment losses beginning of year	<u>(99.639)</u>
Depreciation for the year	<u>(11.068)</u>
Depreciation and impairment losses end of year	<u>(110.707)</u>
Carrying amount end of year	<u>21.052</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.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and 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.

Accounting policies

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

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 write-downs of receivables recognised in current assets.

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, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial expenses

Other financial expenses comprise interest expenses, net capital 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.

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.

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

Accounting policies

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	4-6 years
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Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

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