

# LINK Mobility A/S

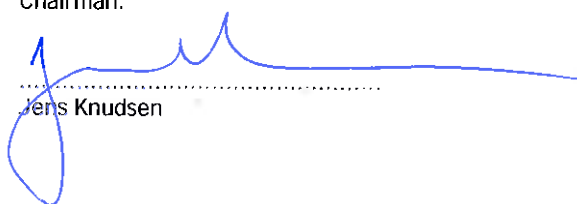
Birkemose Allé 37, 6000 Kolding

CVR no. 30 07 75 20

## Annual report 2016

Approved at the annual general meeting of shareholders on 21 March 2017

Chairman:



Jens Knudsen

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of LINK Mobility A/S for the financial year 1 January - 31 December 2016.

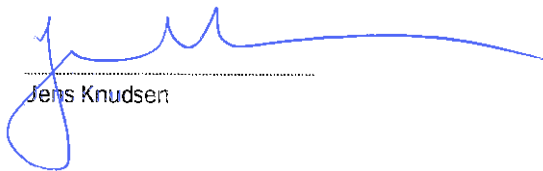
The annual report is prepared in accordance with the Danish Financial Statements Act.

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 1 January - 31 December 2016.

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

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

Kolding, 21 March 2017  
Executive Board:




Jens Knudsen

Board of Directors:



Arild Hustad  
Chairman



Siw Ødegaard



Søren Aarslev Sundahl

## Independent auditor's report

To the shareholders of LINK Mobility A/S

### Opinion

We have audited the financial statements of LINK Mobility A/S for the financial year 1 January - 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 1 January - 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 the 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.

Kolding, 21 March 2017  
BDO STATS AUTORISERET REVISIONSAKTIESELSKAB

CVR no. 20 22 25 70



Henning Wiese  
State Authorised Public Accountant

## Management's review

### Company details

Name	LINK Mobility A/S
Address, Postal code, City	Birkemose Allé 37, 6000 Kolding
CVR no.	30 07 75 20
Registered office	Kolding
Financial year	1 January - 31 December
Board of Directors	Arild Hustad, Chairman Siw Ødegaard Søren Aarslev Sundahl
Executive Board	Jens Knudsen
Auditors	BDO Statsautoriseret revisionsaktieselskab Birkemose Allé 39, Kolding

## Management's review

### Management commentary

#### Business review

The purpose of the company is to sell SMS solutions to businesses and private customers in Denmark and abroad.

#### Financial review

The income statement for 2016 shows a profit of DKK 7,448,506 against DKK 9,196,790 last year, and the balance sheet at 31 December 2016 shows equity of DKK 8,037,786. Management considers the Company's financial performance in the year satisfactory.

#### Events after the balance sheet date

The company expects to merge with group company Responsfabrikken A/S as per 1 January 2017. Apart from this no events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2016	2015
	Gross margin	19,064,731	18,997,520
2	Staff costs	-9,085,734	-6,998,392
3	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-553,426	-346,789
	Other operating expenses	0	-32,145
	Profit before net financials	9,425,571	11,620,194
	Income from investments in group entities	0	226,286
4	Financial income	238,838	329,054
5	Financial expenses	-94,075	-136,193
	Profit before tax	9,570,334	12,039,341
6	Tax for the year	-2,121,828	-2,842,551
	Profit for the year	7,448,506	9,196,790
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	7,400,000	9,600,000
	Retained earnings/accumulated loss	48,506	-403,210
		7,448,506	9,196,790



Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	<b>ASSETS</b>		
	Fixed assets		
7	Intangible assets		
	Completed development projects	164,408	0
	Software	173,949	333,874
	Goodwill	495,000	0
	Development projects in progress and prepayments for intangible assets	0	188,500
		<u>833,357</u>	<u>522,374</u>
8	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	635,145	389,282
	Leasehold improvements	210,822	135,611
		<u>845,967</u>	<u>524,893</u>
	Investments		
	Deposits	180,000	180,000
		<u>180,000</u>	<u>180,000</u>
	<b>Total fixed assets</b>	<u>1,859,324</u>	<u>1,227,267</u>
	<b>Non-fixed assets</b>		
	Receivables		
	Trade receivables	10,725,706	6,144,429
	Receivables from group entities	7,758,017	7,631,357
	Deferred tax assets	16,530	0
	Other receivables	686,316	410,836
	Prepayments	267,073	268,284
		<u>19,453,642</u>	<u>14,454,906</u>
	Cash	6,679,508	3,859,271
	<b>Total non-fixed assets</b>	<u>26,133,150</u>	<u>18,314,177</u>
	<b>TOTAL ASSETS</b>	<u>27,992,474</u>	<u>19,541,444</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	<b>EQUITY AND LIABILITIES</b>		
	Equity		
9	Share capital	540,400	540,400
	Retained earnings	97,386	48,880
	Dividend proposed for the year	7,400,000	9,600,000
	<b>Total equity</b>	<b>8,037,786</b>	<b>10,189,280</b>
	Provisions		
	Deferred tax	0	88,812
	<b>Total provisions</b>	<b>0</b>	<b>88,812</b>
	Liabilities		
10	Non-current liabilities other than provisions		
	Debt warrant management	328,543	0
		<b>328,543</b>	<b>0</b>
	Current liabilities		
	Bank debt	106,837	83,182
	Prepayments received from customers	241,623	125,993
	Trade payables	3,642,005	1,865,862
	Payables to group entities	8,222,842	0
	Income taxes payable	2,227,353	2,862,418
	Other payables	5,185,485	4,325,897
		<b>19,626,145</b>	<b>9,263,352</b>
	<b>Total liabilities other than provisions</b>	<b>19,954,688</b>	<b>9,263,352</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>27,992,474</b>	<b>19,541,444</b>

- 1 Accounting policies
- 11 Contractual obligations and contingencies, etc.
- 12 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2016	540,400	48,880	9,600,000	10,189,280
Profit for the year	0	48,506	7,400,000	7,448,506
Dividend distributed	0	0	-9,600,000	-9,600,000
Equity at 31 December 2016	540,400	97,386	7,400,000	8,037,786

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of LINK Mobility A/S 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.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### 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.

##### Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

##### Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including 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 distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

##### Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Completed development projects	5 years
Software	5 years
Goodwill	2 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	5 years

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Intangible assets

Goodwill is measured at cost less accumulated amortisation and impairment losses.

Other intangible assets includes software and are measured at cost less accumulated amortisation and impairment losses.

Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are identifiable and where the Company intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement as incurred.

Development costs that are recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

On completion of a development project, development costs are amortised on a straight-line basis over the estimated useful life.

##### Property, plant and equipment

Items of property, plant and equipment includes other fixtures and fittings, tools, equipment leasehold improvements, which 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.

##### Impairment of non-current assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### 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.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

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.

#### Prepayments

Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent financial reporting years.

#### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

#### Equity

##### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

#### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

#### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK	2016	2015
2	Staff costs		
	Wages/salaries	7,736,827	6,121,236
	Pensions	917,445	731,101
	Other social security costs	85,671	85,493
	Other staff costs	362,516	249,062
	Staff costs transferred to costs of non current assets.	-16,725	-188,500
		<u>9,085,734</u>	<u>6,998,392</u>
	Average number of full-time employees	<u>12</u>	<u>9</u>
	DKK	2016	2015
3	Amortisation/depreciation of intangible assets and property, plant and equipment		
	Amortisation of intangible assets	305,743	192,223
	Depreciation of property, plant and equipment	247,683	154,566
		<u>553,426</u>	<u>346,789</u>
4	Financial income		
	Interest receivable, group entities	211,311	328,556
	Exchange gain	27,462	0
	Other financial income	65	498
		<u>238,838</u>	<u>329,054</u>
5	Financial expenses		
	Exchange losses	26,645	7,213
	Interest surcharges on corporate tax recognised under net financials	58,260	111,984
	Other financial expenses	9,170	16,996
		<u>94,075</u>	<u>136,193</u>
6	Tax for the year		
	Estimated tax charge for the year	2,227,170	2,861,381
	Deferred tax adjustments in the year	-105,342	-18,830
		<u>2,121,828</u>	<u>2,842,551</u>



Financial statements for the period 1 January - 31 December

Notes to the financial statements

7 Intangible assets

DKK	Completed development projects	Software	Goodwill	Development projects in progress and prepayments for intangible assets	Total
Cost at 1 January 2016	0	1,137,881	600,000	188,500	1,926,381
Additions in the year	205,225	0	600,000	0	805,225
Disposals in the year	0	0	0	-188,500	-188,500
Transfer from other accounts	0	-96,000	96,000	0	0
Cost at 31 December 2016	205,225	1,041,881	1,296,000	0	2,543,106
Impairment losses and amortisation at 1 January 2016	0	804,007	600,000	0	1,404,007
Amortisation/depreciation in the year	40,817	159,925	105,000	0	305,742
Transferred	0	-96,000	96,000	0	0
Impairment losses and amortisation at 31 December 2016	40,817	867,932	801,000	0	1,709,749
Carrying amount at 31 December 2016	164,408	173,949	495,000	0	833,357

8 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 January 2016	1,096,891	194,622	1,291,513
Additions in the year	535,918	118,313	654,231
Disposals in the year	-165,430	-54,368	-219,798
Cost at 31 December 2016	1,467,379	258,567	1,725,946
Impairment losses and depreciation at 1 January 2016	707,609	59,011	766,620
Amortisation/depreciation in the year	204,583	43,100	247,683
Reversal of amortisation/depreciation and impairment of disposals	-79,958	-54,366	-134,324
Impairment losses and depreciation at 31 December 2016	832,234	47,745	879,979
Carrying amount at 31 December 2016	635,145	210,822	845,967

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

DKK	2016	2015
9 Share capital		
Analysis of the share capital:		
5,404 shares of DKK 100.00 nominal value each	540,400	540,400
	540,400	540,400

The Company's share capital has remained DKK 540,400 over the past 5 years.

#### 10 Long-term liabilities

Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.

#### 11 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

As management company, the Company is jointly taxed with other Danish group entities and is jointly and severally with other jointly taxed group entities for payment of income taxes for income year 2013 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after July 1st 2012.

##### Other financial obligations

##### Other rent and lease liabilities:

DKK	2016	2015
Rent and lease liabilities	2,402,526	4,375,000

Rent and lease liabilities include a rent obligation totalling DKK 1,976,000 in rent agreements with remaining contract terms of 38 months. Furthermore, the Company has liabilities under operating leases for cars and IT equipment, totalling DKK 426,526, with remaining contract terms of 1-2 years.

#### 12 Related parties

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
LINK Mobility Group ASA	Oslo	<a href="http://www.linkmobility.com">www.linkmobility.com</a>

##### Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the votes or minimum 5% of the share capital:

Name	Domicile
LINK Mobility Group ASA	Oslo