

Mediability Denmark A/S

Generatorvej 8D st. th.

2860 Søborg

Central Business Registration No

30913957

Annual report 2016

The Annual General Meeting adopted the annual report on 24.05.2017

Chairman of the General Meeting

Name: Trond Valvik

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Entity details

Entity

Mediability Denmark A/S
Generatorvej 8D st. th.
2860 Søborg

Central Business Registration No: 30913957

Registered in: Gladsaxe

Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Trond Valvik, chairman
Ingrid Solheim
Steen Horstmann Larsen

Executive Board

Steen Horstmann Larsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Gøteborgvej 18
9200 Aalborg SV

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Mediability Denmark A/S for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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.

Gladsaxe, 24.05.2017

Executive Board

Steen Horstmann Larsen

Board of Directors

Trond Valvik
chairman

Ingrid Solheim

Steen Horstmann Larsen

Independent auditor's report

To the shareholders of Mediability Denmark A/S

Opinion

We have audited the financial statements of Mediability Denmark A/S for the financial year 01.01.2016 - 31.12.2016, 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

Aalborg, 24.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Jakob Olesen

State Authorised Public Accountant

Management commentary

Primary activities

Mediability Denmark A/S is part of the Mediability Group that consists of companies in Denmark, Norway and Sweden. The parent company is Mediability AS of Norway.

Mediability is a Scandinavian supplier of products, solutions and support for the broadcast and media industry. We offer the very latest in technology, consulting and managed services.

Development in activities and finances

Mediability Denmark A/S, formerly AVIT Systems A/S, was acquired by Mediability AS during 2016.

Mediability was founded in the summer of 2016, when three of Scandinavia's best providers of media production solutions joined forces. The group operates with companies in all three Scandinavian countries. The group was established through the merger of Scandinavian AVIT-Systems, Video4 and Mediateket and is controlled by Atlantis Vest (<http://www.atlantisvest.no/>).

The Company's financial resources and financial situation have deteriorated after the realised loss for the year, which has resulted in negative equity. The Company's debt primarily consists of payables to the parent, for which reason a letter of support has been obtained from the parent for support of the Company's operations for the coming year.

It is Management's expectation that the Company's future operations will improve considerably primarily through increased revenue and a reduction of the Company's fixed costs.

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 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross profit		3.748.511	9.065.588
Staff costs	2	(8.948.135)	(8.295.174)
Depreciation, amortisation and impairment losses	3	<u>(24.766)</u>	<u>0</u>
Operating profit/loss		(5.224.390)	770.414
Income from investments in group enterprises		61.235	920.368
Other financial income	4	396.856	2.035
Other financial expenses	5	<u>(725.650)</u>	<u>(106.819)</u>
Profit/loss before tax		(5.491.949)	1.585.998
Tax on profit/loss for the year	6	<u>192.602</u>	<u>(166.502)</u>
Profit/loss for the year		<u>(5.299.347)</u>	<u>1.419.496</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		0	3.173.000
Retained earnings		<u>(5.299.347)</u>	<u>(1.753.504)</u>
		<u>(5.299.347)</u>	<u>1.419.496</u>

Balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK
Other fixtures and fittings, tools and equipment		141.162	0
Property, plant and equipment	7	141.162	0
Investments in group enterprises		0	3.870.525
Deposits		241.052	241.052
Fixed asset investments		241.052	4.111.577
Fixed assets		382.214	4.111.577
Manufactured goods and goods for resale		3.022.575	3.143.234
Inventories		3.022.575	3.143.234
Trade receivables		2.213.210	4.724.647
Receivables from group enterprises		9.965.465	5.660.955
Deferred tax		0	32.500
Other receivables		0	14.585
Prepayments		19.750	123.119
Receivables		12.198.425	10.555.806
Cash		743.885	0
Current assets		15.964.885	13.699.040
Assets		16.347.099	17.810.617

Balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK
Contributed capital	8	5.000.000	5.000.000
Retained earnings		(5.299.017)	334
Proposed dividend		0	3.173.000
Equity		(299.017)	8.173.334
Prepayments received from customers		485.238	1.380.861
Trade payables		1.409.072	1.565.495
Payables to group enterprises		12.461.960	3.174.654
Income tax payable		0	157.902
Other payables		2.289.846	3.358.371
Current liabilities other than provisions		16.646.116	9.637.283
Liabilities other than provisions		16.646.116	9.637.283
Equity and liabilities		16.347.099	17.810.617
Going concern	1		
Unrecognised rental and lease commitments	9		
Related parties with controlling interest	10		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	5.000.000	330	3.173.000	8.173.330
Ordinary dividend paid	0	0	(3.173.000)	(3.173.000)
Profit/loss for the year	0	(5.299.347)	0	(5.299.347)
Equity end of year	5.000.000	(5.299.017)	0	(299.017)

Notes

1. Going concern

The Company's financial resources and financial situation have deteriorated after the realised loss for the year, which has resulted in negative equity. The Company's debt primarily consists of payables to the parent, for which reason a letter of support has been obtained from the parent for support of the Company's operations for the coming year.

It is Management's expectation that the Company's future operations will improve considerably primarily through increased revenue and a reduction of the Company's fixed costs.

	2016	2015
	DKK	DKK
2. Staff costs		
Wages and salaries	7.911.650	7.411.029
Pension costs	506.894	441.037
Other social security costs	103.454	88.346
Other staff costs	426.137	354.762
	8.948.135	8.295.174

Average number of employees	16	15
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	2016	2015
	DKK	DKK
3. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	24.766	0
	24.766	0

	2016	2015
	DKK	DKK
4. Other financial income		
Financial income arising from group enterprises	386.647	0
Other financial income	10.209	2.035
	396.856	2.035

	2016	2015
	DKK	DKK
5. Other financial expenses		
Financial expenses from group enterprises	302.887	0
Other financial expenses	422.763	106.819
	725.650	106.819

Notes

	2016	2015
	DKK	DKK
6. Tax on profit/loss for the year		
Tax on current year taxable income	(225.102)	157.902
Change in deferred tax for the year	32.500	8.600
	(192.602)	166.502

	Other fixtures and fittings, tools and equipment DKK
7. Property, plant and equipment	
Cost beginning of year	1.283.767
Additions	52.000
Cost end of year	1.335.767
Depreciation and impairment losses beginning of the year	(1.169.839)
Depreciation for the year	(24.766)
Depreciation and impairment losses end of the year	(1.194.605)
Carrying amount end of year	141.162

	Number	Par value DKK	Nominal value DKK
8. Contributed capital			
Shares	5.000	1000	5.000.000
	5.000		5.000.000

9. Unrecognised rental and lease commitments

The Company has entered into rental agreements with a residual liability of DKK 895,221.

The Company has entered into leases with a residual liability of DKK 347,203.

10. Related parties with controlling interest

Related parties with controlling interest: Mediability AS, Bergen, Norway.

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 to these financial statements are consistent with those applied last year.

The annual report for 2016 is presented in Danish kroner.

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 rate 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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are classified directly as equity.

Accounting policies

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods, other operating income, cost of raw materials and consumables and external expenses.

Referring to the provisions laid down in S. 32 of the Danish Financial Statements Act, the Company's revenue is not disclosed.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer.

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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, stationery and office supplies, marketing costs, etc. This item also includes writedowns 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 assets and property, plant and equipment comprise amortisation, depreciation as well as gains and losses from the sale of property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on transactions in foreign currencies.

Accounting policies

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on transactions in foreign currencies.

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

Property, plant and equipment

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	3-6 years
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The residual value of property, plant and equipment amounted to DKK 0.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

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

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Accounting policies

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 tax-based value of assets and liabilities, for which the tax-based value of assets 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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.