Avit Systems A/S

Generatorvej 8D
2860 Søborg

CVR no. 30 91 39 57

Annual report for 2015

Adopted at the annual general meeting on 4 March 2016

Finn Støvring Nielsen
Chairman

Contents

Statement by management on the annual report

Today, the board of directors and the executive board have discussed and approved the annual report of Avit Systems A/S for the financial year 1 January - 31 December 2015.

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

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the company's financial position at 31 December 2015 and of the results of its operations and consolidated cash flows for the financial year 1 January - 31 December 2015.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

We recommend the adoption of the annual report at the annual general meeting.

Aalborg, 4 March 2016

Executive Board

Steen Horstmann Larsen
Chief Executive Officer

Supervisory Board

Claus Falk chairman	Finn Støvring Nielsen	Per Lyngby Cloos

Independent auditor's report

To the Shareholder of Avit Systems A/S

Report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Avit Systems A/S for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet and notes for as well the group as the company as well as cash flow statement for the group. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and the parent company financial statements

The management is responsible for the preparation of the consolidated financial statements and the parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as the management determines is necessary to enable the preparation of the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish Audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent company financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statement and the parent company's financial statement give a true and fair view of the group's and the parent company's financial position at 31 December 2015 and of the results of the group's and the parent company's and cash flows operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on management's review

Pursuant to the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements . On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated financial statements and the parent company financial statements .

Aalborg, 4 March 2016

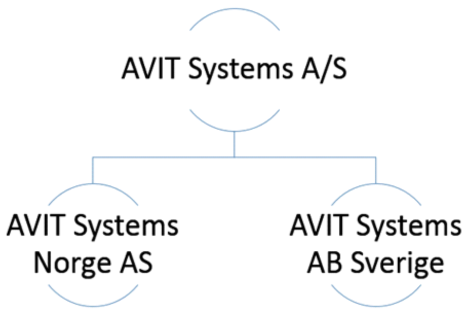
Deloitte
Statsautoriseret Revisionspartnerselskab
CVR-no.33 96 35 56

Lars Birner Sørensen	Torben Toft Kristensen
State Authorised Public Accountant	State Authorised Public Accountant

Company details

The company	Avit Systems A/S Generatorvej 8D 2860 Søborg Website: www.avit-systems.dk CVR no.: 30 91 39 57 Financial year: 1 January - 31 December Incorporated: 9 October 2007 Domicile: Søborg
Board of directors	Claus Falk, chairman Finn Støvring Nielsen Per Lyngby Cloos
Executive board	Steen Horstmann Larsen, Chief Executive Officer
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Gøteborgvej 18 9200 Aalborg

Group chart



Financial highlights

5-year summary:

	Group				
	2015	2014	2013	2012	2011
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	22,948	19,642	16,665	16,641	8,940
Profit/loss before financial income and expenses	1,865	-1,457	-8,064	-3,270	-4,386
Result of net financials	-5	133	-978	-159	-377
Profit/loss for the year	1,419	-1,584	-8,190	-2,723	-3,877
Balance sheet total	48,448	34,803	39,014	40,210	37,140
Investment in property, plant and equipment	3,622	0	59	261	469
Equity	8,173	6,981	4,784	6,061	5,554
Financial ratios					
Solvency ratio	16.9%	20.1%	12.3%	15.1%	15.0%

The financial ratios are calculated in accordance with the Danish Society of Financial Analysts' recommendations and guidelines. For definitions, see the summary of significant accounting policies.

Where the accounting policies have been changed, comparatives from 2011 onwards have been restated. For an account of changes in accounting policies, see the summary of significant accounting policies.

Management's review

The group's business activities

AVIT-Systems is one of the leading suppliers of products and solutions within the market for professional audio and video broadcast in Scandinavia. AVIT-Systems` primary markets are Scandinavian Broadcast and Media companies, affiliated production companies and organisations with requirements for professional audio and video solutions.

Based on competence within audio and video and supporting IT solutions AVIT-Systems delivers full and integrated solutions to the market ranging over strategic and technical consulting to design, installation, configuration and support. With local sales and support organisations in Denmark, Norway and Sweden. AVIT-Systems is capable of servicing Scandinavian customers locally.

Recognition and measurement uncertainties

The recognition and measurement of items in the annual report is not subject to any uncertainty.

Unusual matters

The group's and the parent company's financial position at 31 December 2015 and the results of its operations and cash flows for the financial year ended 31 December 2015 are not affected by any unusual matters.

Business review

The group income statement for the year ended 31 December 2015 shows a profit of DKK 1,419,492, and the balance sheet at 31 December 2015 shows equity of DKK 8,173,330.

Due to more cost efficient operation the profit exceeds the expected for the year as stated in the annual repport for 2014.

AVIT-Systems is well positioned in the Scandinavian market and is focused on leveraging its competencies, product offerings and customer service across the territory. For both customers and vendors AVIT-System offers a single point of contact for all three national markets. AVIT-Systems continues to focus on serving the market and to launch activities to develop and expand the market.

In 2015 AVIT-Systems has won significant contracts with both existing and new broadcasters including NRK, SVT, SR, DR, VGTV, TV2 DANMARK A/S and Discovery Networks. Customers outside the traditional broadcasting market that AVIT-Systems has served during 2015 include media companies, universities and new web-based broadcasters focusing on transmitting from specific sports events.

Management's review

In order to gain benefits of covering the full Scandinavian market, focus in 2015 has continued within the 2014 objectives for synergy effects: We have utilised installation resources across the territory, utilised presales competence between the markets and faced partners and vendors on a Scandinavian level.

These efforts will continue into 2016 as we are convinced that this well strengthen our relations with key partners and vendors. We remain convinced that this in turn will lead to more and more value creating business for our customers, our partners and vendors and ourselves.

It is the belief that the result for 2016 also will be positive.

The Company's equity amounts to DKK 8,2 million at 31 December 2015.

Post balance sheet events

No events have occurred after the balance sheet date which could significantly affect the group's and the parent company's financial position.

The company's likely future development including special assumptions and uncertain factors

The financial performance is expected to be a minor operating profit just above zero for 2016.

Risks

Operating risks

The Group's companies are increasingly working outside the country and is also within a range of specialist areas that are under development. It is estimated that there are none special risks for these companies' continued development - although the international crisis may dampen the speed of development.

Financial risks

The overall interest rate risk relating to the Group's floating-rate loans are considered limited.

Currency risks

The Company has foreign currency transactions, which to some extent involves buying and selling in the same currency, limiting the risk significantly. In the overall assessment, the Group has chosen not to hedge currency risks.

Management's review

Credit risks

The Group has usual risks on debtors. For large loans sought risk hedged by guarantees, if deemed necessary. The Group has none unusual bad debts.

The company's knowledge resources if they are of particular importance to the future earnings

The Group ensures the maintenance of a qualified staff through job development interviews and ongoing systematic training and retraining of employees.

Statutory report on corporate social responsibility

Avit Systems A/S is part of a group with the company Aalborg Stiftstidendes Fond as the ultimate parent company. Statement of the Group's social responsibility published on NORDJYSKE Medier A/S's website in March 2016 at the address www.nordjyskemedier.dk/om-os/fakta-om-nordjyske-medier/samfundsansvar-2015.

Research and development

The Group does not perform actual research activity, but has a number of contexts development-related activities.

Accounting policies

The annual report of Avit Systems A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied are consistent with those applies last year.

The annual report for 2015 is presented in Danish kroner

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the group's and the parent company's and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the group's and the parent company's and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Consolidated financial statements

The consolidated financial statements comprise the parent company Avit Systems A/S and subsidiaries in which the parent company, directly or indirectly, holds more than 50% of the voting rights or otherwise has a controlling interest. Entities in which the group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, cf. the group chart.

On consolidation, intra-group income and expenses, holdings of shares, intra-group balances and dividends as well as realised and unrealised gains and losses on intra-group transactions are eliminated.

Accounting policies

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets and liabilities at the acquisition date.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition. Entities disposed of are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated for acquisitions or disposals.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Foreign subsidiaries and associates are considered independent entities. Income statement items are translated at an average exchange rate for the month, and balance sheet items are translated at the exchange rates at the balance sheet date. Foreign-exchange differences arising on translation of the opening balance of equity of foreign subsidiaries at the exchange rates at the balance sheet date and on translation of income statements from the average exchange rates at the transaction date to the exchange rates at the balance sheet date are recognised directly in equity.

Foreign exchange adjustments of balances with independent foreign subsidiaries which are considered part of the total investment in the subsidiary are recognised directly in equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in foreign subsidiaries are recognised directly in equity.

Income statement

Gross profit

The Company uses the regulations in the Danish Financial Statements Act §32, after which the company’s revenue is not stated.

Gross profit comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Accounting policies

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue from services is recognized on straight-line basis over the contract period.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Raw materials and consumables

Raw materials and consumables include the raw materials and consumables used in generating the year’s revenue.

Staff costs

Staff costs include wages and salaries as well as social security costs, pensions, etc to the Company’s staff.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, etc.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment. As well as gains and losses from the sale of intangible asset.

Financial income and expenses

Financial income and expenses include interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities.

Income from investments in subsidiaries, associates and joint ventures

The proportionate share of the profit or loss after tax of the individual subsidiaries is recognised in the income statement after full elimination of intra-group gains/losses.

The proportionate share of the profit or loss after tax of the individual associates is recognised in the income statement after elimination of the proportionate share of intra-group gains/losses.

Accounting policies

Tax on profit/loss for the year

The parent company is subject to the Danish rules on compulsory joint taxation of the group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits..

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets

Items of Tangible assets are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Where individual parts of an item of property, plant and equipment have different useful lives, the cost is divided into separate parts, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful life of the asset based on the following expected useful lives:

Tangible assets are written down to the lower of recoverable amount and carrying amount.

The residual value of tangible fixed assets amounted to 0 DKK

Other fixtures and fittings, tools and equipment	3-6	years
Reconstrucktion of leased premises	3-20	years

Accounting policies

Investments in subsidiaries and associates

Fair value

The items "Investments in subsidiaries", "Investments in associates" and "Investments in joint ventures" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the Parent Company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method to the extent that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Company A/S is adopted are not taken to the net revaluation reserve.

Acquisitions are accounted for using the purchase method, cf. the description of the statement of goodwill above.

Stocks

Stocks are measured at using FIFO method. Where the net realisable value is lower than the cost, inventories are carried at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production overheads.

The net realisable value of stocks is determined as the selling price less costs of completion and costs incurred to effect the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Receivables

Receivables are measured at amortised cost, usually equaling nominal value less provisions for bad debts.

Accounting policies

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured based on the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be reliably determined, the selling price is measured at the lower of costs incurred and net realisable value.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Cash and cash equivalents

Cash comprises cash and deposits in banks.

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of investments in subsidiaries and associates relative to the cost.

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

Income tax and deffered tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Joint taxation contributions payable and receivable are recognised in the balance sheet as income tax receivable or income tax payable, respectively.

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.

Deferred tax is measured on the basis of the taxation rules and taxation rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Receivables / debt with group enterprises

The cash pool arrangement is presented as receivables / debt with group enterprises. Comparative figures has not been adjusted, and presented as cash / bank debt in the comparative year.

Other financial liabilities

Other financial liabilities are recognized at amortized cost which usually corresponds to nominal value.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructurings, etc

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Once it is likely that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract.

Cash flow statement

The cash flow statement shows the group's cash flows for the year, broken down under cash flows from operating, investing and financing activities, the year's changes in cash and cash equivalents and the group's cash and cash equivalents at the beginning and at the end of the year.

The cash flow effect of additions and disposals of entities is shown separately under cash flows from investing activities. The cash flow statement includes cash flows from acquired entities from the time of acquisition, and cash flows from sold entities are included until the date of sale.

Accounting policies

Cash flows from operating activities

Cash flows from operating activities are stated as the profit or loss for the year, adjusted for non-cash operating items, changes in working capital and paid income taxes.

Cash flows from investing activities

Cash flows from investing activities comprise payments related to the acquisition and sale of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs, as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial highlights

Definitions of financial ratios

Solvency ratio	Equity at year end x 100 / Total assets

Income statement 1 January - 31 December

	Notes	Group		Parent company	
		2015	2014	2015	2014
		DKK	DKK	DKK	DKK
Gross profit		**22,947,887**	**19,642,440**	**9,065,584**	**7,539,762**
Staff costs	1	-20,559,560	-20,844,991	-8,295,174	-8,621,263
Earnings before interest, tax, depreciation and amortisation		**2,388,327**	**-1,202,551**	**770,410**	**-1,081,501**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	2	-523,065	-254,196	0	0
Profit/loss before financial income and expenses		**1,865,262**	**-1,456,747**	**770,410**	**-1,081,501**
Income from investments in subsidiaries		-12,684	0	920,368	-706,762
Financial income	3	336,718	512,182	2,035	22,397
Financial costs	4	-329,302	-379,365	-106,819	-77,064
Profit/loss before tax		**1,859,994**	**-1,323,930**	**1,585,994**	**-1,842,930**
Tax on profit/loss for the year	5	-440,502	-259,913	-166,502	259,087
Net profit/loss for the year		**1,419,492**	**-1,583,843**	**1,419,492**	**-1,583,843**
Proposed dividend for the year		3,173,000	0	3,173,000	0
Retained earnings		-1,753,508	-1,583,843	-1,753,508	-1,583,843
		1,419,492	**-1,583,843**	**1,419,492**	**-1,583,843**

Balance sheet at 31 December

	Notes	Group 2015 DKK	Group 2014 DKK	Parent company 2015 DKK	Parent company 2014 DKK
Assets					
Other fixtures and fittings, tools and equipment		3,373,323	120,386	0	0
Leasehold improvements		0	153,737	0	0
Tangible assets	6	**3,373,323**	**274,123**	**0**	**0**
Investments in subsidiaries	8	0	0	3,870,525	3,483,923
Other receivables	7	241,052	157,616	241,052	157,616
Fixed asset investments		**241,052**	**157,616**	**4,111,577**	**3,641,539**
Fixed assets total		**3,614,375**	**431,739**	**4,111,577**	**3,641,539**
Finished goods and goods for resale		13,054,036	7,855,859	3,143,234	3,679,538
Stocks		**13,054,036**	**7,855,859**	**3,143,234**	**3,679,538**
Trade receivables		29,208,060	22,783,211	4,724,647	9,242,701
Contract work in progress	9	0	30,000	0	30,000
Receivables from group enterprises		72,227	793,615	5,660,955	1,044,307
Other receivables		166,209	160,425	14,585	128,785
Deferred tax asset	11	164,500	447,100	32,500	41,100
Corporation tax		0	391,791	0	391,791
Prepayments	16	278,675	467,295	123,119	217,618
Receivables		**29,889,671**	**25,073,437**	**10,555,806**	**11,096,302**
Cash at bank and in hand		**1,889,581**	**1,442,280**	**0**	**0**
Current assets total		**44,833,288**	**34,371,576**	**13,699,040**	**14,775,840**
Assets total		**48,447,663**	**34,803,315**	**17,810,617**	**18,417,379**

Balance sheet at 31 December

	Notes	Group 2015	Group 2014	Parent company 2015	Parent company 2014
		DKK	DKK	DKK	DKK
Liabilities and equity					
Share capital		5,000,000	5,000,000	5,000,000	5,000,000
Retained earnings		330	1,980,506	330	1,980,506
Proposed dividend for the year		3,173,000	0	3,173,000	0
Equity total	10	**8,173,330**	**6,980,506**	**8,173,330**	**6,980,506**
Banks		0	4,135,529	0	23,841
Prepayments received from customers		3,012,862	467,269	1,380,861	467,269
Trade payables		15,148,208	13,515,607	1,565,495	6,115,840
Payables to group enterprises		13,470,285	120,000	3,174,655	120,000
Corporation tax		157,902	0	157,902	0
Other payables		8,485,076	9,584,404	3,358,374	4,709,923
Short-term debt		**40,274,333**	**27,822,809**	**9,637,287**	**11,436,873**
Debt total		**40,274,333**	**27,822,809**	**9,637,287**	**11,436,873**
Liabilities and equity total		**48,447,663**	**34,803,315**	**17,810,617**	**18,417,379**
Collateral and security	12				
	13				

Cash flow statement 1 January - 31 December

	Notes	Group 2015	Group 2014
		DKK	DKK
Net profit/loss for the year		1,419,492	-1,583,843
Adjustments	14	968,835	381,292
Change in working capital	15	7,310,399	2,154,742
Cash flows from operating activities before financial income and expenses		**9,698,726**	**952,191**
Interest income and similar income		336,719	412,182
Interest expenses and similar charges		-555,969	-599,373
Cash flows from ordinary activities		**9,479,476**	**765,000**
Corporation tax paid		391,791	788,775
Cash flows from operating activities		**9,871,267**	**1,553,775**
Purchase of property, plant and equipment		-3,622,265	0
Fixed asset investments made etc		-83,436	-157,616
Sale of fixed asset investments etc		307,098	0
Cash flows from investing activities		**-3,398,603**	**-157,616**
Current liabilities		-1,571,200	0
Cash capital increase		0	4,000,000
Other adjustments		-318,634	0
Cash flows from financing activities		**-1,889,834**	**4,000,000**
Change in cash and cash equivalents		**4,582,830**	**5,396,159**
Cash at bank and in hand		1,442,280	-8,089,408
Overdraft facility		-4,135,529	0
Cash and cash equivalents at 1 January 2015		-2,693,249	-8,089,408
Cash and cash equivalents at 31 December 2015		**1,889,581**	**-2,693,249**

Cash flow statement 1 January - 31 December (Continued)

	Note	Group 2015 DKK	Group 2014 DKK
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		1,889,581	1,442,280
Overdraft facility		0	-4,135,529
Cash and cash equivalents at 31 December 2015		**1,889,581**	**-2,693,249**

Notes to the annual report

	Group		Parent company	
	2015	2014	2015	2014
	DKK	DKK	DKK	DKK
1 Staff costs				
Wages and salaries	16,922,471	17,313,494	7,411,029	7,841,082
Pensions	927,821	859,032	441,037	422,346
Other social security costs	2,168,829	2,249,193	88,346	100,806
Other staff costs	540,439	423,272	354,762	257,029
	20,559,560	**20,844,991**	**8,295,174**	**8,621,263**
Average number of employees	37	36	15	16

The executive board does not receive remuneration. According to section 98 B(3) no. 2 of the Danish Financial Statements Act, renumeration to management has not been disclosed, because it will lead to an individual's remuneration disclosed.

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
2 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment				
Depreciation tangible assets	523,065	254,196	0	0
	523,065	**254,196**	**0**	**0**

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
3 Financial income				
Other financial income	6,180	512,182	2,035	22,397
Exchange gains	330,538	0	0	0
	336,718	**512,182**	**2,035**	**22,397**

Notes to the annual report

		Group		Parent company	
		2015	2014	2015	2014
		DKK	DKK	DKK	DKK
4	**Financial costs**				
	Other financial costs	329,302	379,365	106,819	77,064
		329,302	**379,365**	**106,819**	**77,064**
5	**Tax on profit/loss for the year**				
	Current tax for the year	157,902	-391,791	157,902	-391,791
	Deferred tax for the year	282,600	651,704	8,600	132,704
		440,502	**259,913**	**166,502**	**-259,087**

6 Tangible assets

Group

	Other fixtures and fittings, tools and equipment	Leasehold improvements
Cost at 1 January 2015	1,530,934	908,428
Additions for the year	3,622,265	0
Cost at 31 December 2015	5,153,199	908,428
Impairment losses and depreciation at 1 January 2015	1,410,548	754,691
Depreciation for the year	369,328	153,737
Impairment losses and depreciation at 31 December 2015	1,779,876	908,428
Carrying amount at 31 December 2015	**3,373,323**	**0**

6 Tangible assets (Continued)

Parent company

	Other fixtures and fittings, tools and equipment	Total
Cost at 1 January 2015	1,169,839	1,169,839
Cost at 31 December 2015	1,169,839	1,169,839
Impairment losses and depreciation at 1 January 2015	1,169,839	1,169,839
Impairment losses and depreciation at 31 December 2015	1,169,839	1,169,839
Carrying amount at 31 December 2015	**0**	**0**

7 Fixed asset investments

Group

	Other receivables
Cost at 1 January 2015	157,616
Additions for the year	83,436
Cost at 31 December 2015	241,052
Carrying amount at 31 December 2015	**241,052**

Notes to the annual report

7 Fixed asset investments (Continued)

Parent company

	Other receivables
Cost at 1 January 2015	157,616
Additions for the year	83,436
Cost at 31 December 2015	241,052
Carrying amount at 31 December 2015	**241,052**

	Parent company	
	2015	2014
	DKK	DKK
8 Investments in subsidiaries		
Cost at 1 January 2015	31,020,235	31,020,235
Disposals for the year	-2,070,400	0
Cost at 31 December 2015	28,949,835	31,020,235
Revaluations at 1 January 2015	-27,536,312	-26,609,542
Disposals for the year	1,750,618	0
Exchange adjustment	-226,668	-220,008
Net profit/loss for the year	933,052	-706,762
Revaluations at 31 December 2015	-25,079,310	-27,536,312
Carrying amount at 31 December 2015	**3,870,525**	**3,483,923**

Group
Investments in subsidiaries are specified as follows:

Name	Place of registered office	Votes and ownership
Avit Systems Norge AS	Stavanger, Norway	100%
Avit Systems AB Sverige	Bromma, Sweden	100%

	Group		Parent company	
	2015	2014	2015	2014
	DKK	DKK	DKK	DKK
9 Contract work in progress				
Work in progress, selling price	0	30,000	0	30,000
	0	**30,000**	**0**	**30,000**

10 Equity

Group

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2015	5,000,000	1,980,506	0	6,980,506
Exchange adjustments	0	-226,668	0	-226,668
Net profit/loss for the year	0	-1,753,508	3,173,000	1,419,492
Equity at 31 December 2015	**5,000,000**	**330**	**3,173,000**	**8,173,330**

Notes to the annual report

10 Equity (Continued)

Parent company

Equity at 1 January 2015	5,000,000	1,980,506	0	6,980,506
Exchange adjustments	0	-226,668	0	-226,668
Net profit/loss for the year	0	-1,753,508	3,173,000	1,419,492
Equity at 31 December 2015	**5,000,000**	**330**	**3,173,000**	**8,173,330**

The share capital consists of 5,000 shares of a nominal value of DKK 5,000. No shares carry any special rights.
There have been no changes in the share capital during the last 5 years.

11 Provision for deferred tax

Provision for deferred tax at 1 January 2015	447,100	1,098,804	41,100	214,904
Provision in year	-282,600	-651,704	-8,600	-173,804
Provision for deferred tax at 31 December 2015	**164,500**	**447,100**	**32,500**	**41,100**

Property, plant and equipment	-32,500	0	-32,500	-41,100
Tax loss carry-forward	-132,000	-447,100	0	0
Transferred to deferred tax asset	164,500	447,100	32,500	41,100
	0	**0**	**0**	**0**

Deferred tax asset

Calculated tax asset	164,500	447,100	32,500	41,100
Carrying amount	**164,500**	**447,100**	**32,500**	**41,100**

Notes to the annual report

12 Collateral and security

Parent Company

The Company has entered into operating lease contracts with an average annual lease payment of DKK 171k. The lease contracts' time to maturity is up to 40 months with a total remaining payment of DKK 414k.

The Company has entered into lease contracts of leased premises until 01.12.2017 with an annual lease payment of DKK 285k, and leased premises until 01.09.2020 with an annual lease payment of DKK 167k.

The Company participates in a Danish joint taxation arrangement in which Aalborg Stiftstidende A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies.

Group

The Group has entered into operating lease contracts with an average annual lease payment of DKK 298k. The lease contracts' time to maturity is up to 40 months with a total remaining payment of DKK 691k.

The Group has entered into lease contracts of leased premises until 01.10.2016 with an annual lease payment of DKK 419k, and leased premises until 01.12.2017 with an annual lease payment of DKK 285k, and leased premises until 01.03.2019 with an annual lease payment of DKK 375k, and leased premises until 11.09.2020 with an annual lease payment of DKK 285k.

13

Ownership

According to the company's register of shareholders, the following shareholders hold a minimum of 5% of the voting rights or a minimum of 5% of the share capital:

NORDJYSKE Kommunikation A/S, Aalborg, Denmark

Consolidated financial statements

The company is included in the consolidated financial statements of the largest parent company

Notes to the annual report

13 (Continued)

Aalborg Stiftstidendes Fond, Aalborg, Denmark

The company is included in the consolidated financial statements of the smallest parent company

NORDJYSKE Kommunikation A/S, Aalborg, Denmark

		Group	
		2015	2014
		DKK	DKK
14	**Cash flow statement - adjustments**		
	Financial income	-336,718	-512,182
	Financial costs	329,302	379,365
	Depreciation, amortisation and impairment losses, including losses and gains on sales	523,065	254,196
	Income from investments in subsidiaries	12,684	0
	Tax on profit/loss for the year	440,502	259,913
		968,835	**381,292**
15	**Cash flow statement - change in working capital**		
	Change in inventories	-5,198,177	-1,680,691
	Change in receivables	-5,492,032	4,903,975
	Change in trade payables, etc.	18,000,608	-1,068,542
		7,310,399	**2,154,742**

16 Prepayments

Prepayments comprise prepaid expenses regarding rent, insurance premiums, subscriptions and interest as well as fair value adjustments of derivative financial instruments with a positive fair value.