

**MEDIABILITY DENMARK A/S**  
**GENERATORVEJ 8 D, ST. TH., 2860 SØBORG**  
**ANNUAL REPORT**  
**1 JANUARY - 31 DECEMBER 2017**

**The Annual Report has been presented and  
adopted at the Company's Annual General  
Meeting on 16 April 2018**

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**Trond Valvik**

*The English part of this document is an unofficial translation of the original Danish text, and in case of any discrepancy between the Danish text and the English translation, the Danish text shall prevail.*

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**COMPANY DETAILS**

<b>Company</b>	Mediability Denmark A/S Generatorvej 8 D, st. th. 2860 Søborg
	CVR no.: 30 91 39 57
	Established: 9 October 2007
	Registered Office: Gladsaxe
	Financial Year: 1 January - 31 December
<b>Board of Directors</b>	Trond Valvik, Chairman Anja Myntevik Lutentun Håvard Saunes Myklebust
<b>Board of Executives</b>	Anja Myntevik Lutentun
<b>Auditor</b>	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
<b>General Meeting</b>	The Annual General Meeting is held on 16 April 2018, at the mother company's address.

## STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Mediability Denmark A/S for the financial year 1 January - 31 December 2017.

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 the Company's financial position at 31 December 2017 and of the results of the the Company's operations for the financial year 1 January - 31 December 2017.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend the Annual Report be approved at the Annual General Meeting.

Søborg, 16 April 2018

Board of Executives

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Anja Myntevik Lutentun

Board of Directors

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Trond Valvik  
Chairman

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Anja Myntevik Lutentun

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Håvard Saunes Myklebust

## 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 1 January - 31 December 2017, which comprise income statement, balance sheet, notes and 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 assets, liabilities and financial position of the Company at 31 December 2017 and of the results of the Company operations for the financial year 1 January - 31 December 2017 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such Internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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 Responsibility for 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 judgment 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether 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 Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review 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 Management's Review.

Copenhagen, 16 April 2018

BDO Statsautoriseret revisionsaktieselskab  
CVR no. 20 22 26 70

Per Frost Jensen  
State Authorised Public Accountant  
MNE no. mne27740

## MANAGEMENT'S REVIEW

### Principal activities

Mediability Denmark A/S is part of the Mediability Group that consists of companies in Denmark, Norway and Sweden. In first quarter of 2018 the Group also established an office in London. The parent company is Mediability Holding AS.

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 financial position

Mediability Denmark A/S has a financial loss in 2017. To improve the financial situation and strengthen the equity there has been done a conversion of debt in 2017. Due to the company's financial situation a letter of support has been obtained from the parent company for support of the Company's operations for the coming year.

After the formal consolidation and re-branding of the companies within the Mediability Group during 2016, the focus areas of 2017 had been to establish a uniform foundation and a common operational strategy for the future across the companies in the group. This has been done through extensive strategy work, with subsequent restructuring processes and changes in the company and the Group as a whole.

As part of the restructuring there has been done a redundancy process, in addition to outsourcing of several accounting- and other support functions. The company has also chosen to sell some of the activity related to installation. At the same time the company has obtained new and relevant competence through successful employee recruitments.

Further details on the restructuring process is disclosed in the board of director's report in the consolidated financial statements of the Mediability Group.

As expected one-time costs have been incurred in connections with the restructuring and investments. It is also natural to assume that the underlying operation has been affected by this during the year, and both has a negative impact on the result for the financial year 2017.

The Management believes that the measures taken in 2017 put the company in a position to become a profitable and solid player in the market in the coming years.

### Significant events after the end of the financial year

No events have occurred after the end of the financial year of material importance for the company's financial position.

**INCOME STATEMENT 1 JANUARY - 31 DECEMBER**

	<b>Note</b>	<b>2017 DKK</b>	<b>2016 DKK</b>
<b>GROSS PROFIT.....</b>		<b>1.008.876</b>	<b>3.748.511</b>
Staff costs.....	1	-8.181.753	-8.948.135
Depreciation, amortisation and impairment.....		-45.815	-24.766
Other operating expenses.....		-897.119	0
<b>OPERATING LOSS.....</b>		<b>-8.115.811</b>	<b>-5.224.390</b>
Result of equity investments in group and associat.....		0	61.235
Other financial income.....	2	1.590.036	396.856
Other financial expenses.....	3	-583.526	-725.650
<b>LOSS BEFORE TAX.....</b>		<b>-7.109.301</b>	<b>-5.491.949</b>
Tax on profit/loss for the year.....	4	0	192.602
<b>LOSS FOR THE YEAR.....</b>		<b>-7.109.301</b>	<b>-5.299.347</b>
<b>PROPOSED DISTRIBUTION OF LOSS</b>			
Accumulated loss.....		-7.109.301	-5.299.347
<b>TOTAL.....</b>		<b>-7.109.301</b>	<b>-5.299.347</b>



## BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2017 DKK	2016 DKK
Other plants, machinery, tools and equipment.....		28.889	141.162
<b>Tangible fixed assets.....</b>		<b>28.889</b>	<b>141.162</b>
Rent deposit and other receivables.....		144.901	241.052
<b>Fixed asset investments.....</b>		<b>144.901</b>	<b>241.052</b>
<b>FIXED ASSETS.....</b>		<b>173.790</b>	<b>382.214</b>
Finished goods and goods for resale.....		1.998.014	3.022.575
<b>Inventories.....</b>		<b>1.998.014</b>	<b>3.022.575</b>
Trade receivables.....		1.490.115	2.213.210
Receivables from group enterprises.....		4.411.480	9.965.465
Prepayments and accrued income.....		92.672	19.750
<b>Receivables.....</b>		<b>5.994.267</b>	<b>12.198.425</b>
<b>Cash and cash equivalents.....</b>		<b>632.975</b>	<b>743.885</b>
<b>CURRENT ASSETS.....</b>		<b>8.625.256</b>	<b>15.964.885</b>
<b>ASSETS.....</b>		<b>8.799.046</b>	<b>16.347.099</b>

# BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2017 DKK	2016 DKK
Share capital.....		5.100.000	5.000.000
Retained profit.....		-4.508.318	-5.299.017
<b>EQUITY.....</b>	<b>5</b>	<b>591.682</b>	<b>-299.017</b>
Bank debt.....		3.552.756	0
Prepayments received from customers.....		0	485.238
Trade payables.....		2.181.937	1.409.072
Payables to group enterprises.....		0	12.461.960
Other liabilities.....		2.472.671	2.289.846
<b>Current liabilities.....</b>		<b>8.207.364</b>	<b>16.646.116</b>
<b>LIABILITIES.....</b>		<b>8.207.364</b>	<b>16.646.116</b>
<b>EQUITY AND LIABILITIES.....</b>		<b>8.799.046</b>	<b>16.347.099</b>
Contingencies etc.	6		
Uncertainty with respect to going concern	7		

## NOTES

	2017 DKK	2016 DKK	Note
<b>Staff costs</b>			<b>1</b>
Average number of employees 12 (2016: 16)			
Wages and salaries.....	7.380.732	7.911.650	
Pensions.....	468.285	544.194	
Social security costs.....	58.934	66.154	
Other staff costs.....	273.802	426.137	
	<b>8.181.753</b>	<b>8.948.135</b>	
<b>Other financial income</b>			<b>2</b>
Group enterprises.....	1.588.028	386.647	
Other interest income.....	2.008	10.209	
	<b>1.590.036</b>	<b>396.856</b>	
<b>Other financial expenses</b>			<b>3</b>
Group enterprises.....	172.020	302.887	
Other interest expenses.....	411.506	422.763	
	<b>583.526</b>	<b>725.650</b>	
<b>Tax on profit/loss for the year</b>			<b>4</b>
Calculated tax on taxable income of the year.....	0	-225.102	
Adjustment of deferred tax.....	0	32.500	
	<b>0</b>	<b>-192.602</b>	
<b>Equity</b>			<b>5</b>
	Share capital	Retained profit/loss	Total
Equity at 1 January 2017.....	5.000.000	-5.299.017	-299.017
Capital increase.....	100.000	7.900.000	8.000.000
Proposed distribution of loss.....		-7.109.301	-7.109.301
<b>Equity at 31 December 2017.....</b>	<b>5.100.000</b>	<b>-4.508.318</b>	<b>591.682</b>
<b>Contingencies etc.</b>			<b>6</b>
<b>Contingent liabilities</b>			
The Company has entered into rental agreements with a residual liability of tDKK 210.			

**NOTES****Note****Uncertainty with respect to going concern****7**

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 company, 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 The 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.

## ACCOUNTING POLICIES

The annual report of Mediability Denmark A/S for 2017 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

The Annual Report is prepared consistently with the accounting principles used last year.

### INCOME STATEMENT

#### Net revenue

Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

#### Other operating income

Other operating income includes items of a secondary nature in relation to the enterprises' principal activities, including profit from sale of intangible and tangible fixed assets.

#### Other operating expenses

Other operating expenses include items of a secondary nature in relation to the enterprises' principal activities, including loss from sale of intangible and tangible fixed assets.

#### Cost of sales

Cost of sales comprise costs incurred to achieve the net revenue for the year, including direct and indirect costs of raw materials and consumables.

#### Other external expenses

Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

#### Staff costs

Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

#### Investments in associates

Dividend from associate is recognised in the financial year when the dividend is declared.

#### Financial income and expenses in general

Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

#### Tax on profit for the year

The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

## ACCOUNTING POLICIES

### BALANCE SHEET

#### Tangible fixed assets

Other plants, fixtures and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plants, fixtures and equipment.....	3-6 years	0 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

#### Fixed asset investments

Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

#### Impairment of fixed assets

The carrying amount of tangible assets together with fixed assets, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, the assets are written down to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

#### Inventories

Inventories are measured at cost using the FIFO-principle. If the net realisable value is lower than cost, the inventories are written down to the lower value.

The cost of merchandise as well as raw materials and consumables is calculated at acquisition price with addition of transportation and similar costs.

The net realisable value of inventories is stated at sales price less completion costs and costs incurred to execute the sale and is determined with due regard to marketability, obsolescence and development in expected sales price.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by impairment losses to meet expected losses.

## ACCOUNTING POLICIES

### **Accruals, assets**

Accruals recognised as assets include costs incurred relating to the subsequent financial year.

### **Tax payable and deferred tax**

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

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

### **Liabilities**

Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Amortised cost of current liabilities usually corresponds to nominal value.