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MEDIABILITY DENMARK A/S

LOTTENBORGVEJ 24, 2800 KONGENS LYNGBY

ANNUAL REPORT

1 JANUARY - 31 DECEMBER 2019

**The Annual Report has been presented and
adopted at the Company's Annual General
Meeting on 16 March 2020**

Håvard Saunes Myklebust

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.

CVR NO. 30 91 39 57

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COMPANY DETAILS

Company	Mediability Denmark A/S Lottenborgvej 24 2800 Kongens Lyngby
	CVR No.: 30 91 39 57 Established: 9 October 2007 Registered Office: Lyngby-Taarbæk Financial Year: 1 January - 31 December
Board of Directors	Knut Alfred Andersen Anja Myntevik Lutentun Håvard Saunes Myklebust, chairman
Board of Executives	Knut Alfred Andersen
Auditor	BDO Statsautoriseret revisionsaktieselskab Havneholmen 29 1561 Copenhagen V
General Meeting	The Annual General Meeting is held on 16 March 2020, at 15.00 at the parent 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 2019.

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 Company's financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

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.

Kongens Lyngby, 16 March 2020

Board of Executives

Knut Alfred Andersen

Board of Directors

Knut Alfred Andersen

Anja Myntevik Lutentun

Håvard Saunes Myklebust
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Shareholder 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 2019, 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 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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 March 2020

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, Sweden and UK. The parent company is Fonn Group AS registered in Norway (former Mediability Holding AS).

Mediability is an European 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 2019.

After the formal consolidation and re-branding of the companies within the Mediability group during 2016, the focus areas for the following years has 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 planning, with subsequent restructuring processes and changes in the company and the group as a whole.

As part of the restructuring there has been carried out a redundancy process in Mediability Denmark A/S last year. The organization has been rebuilt in 2019 and this is starting to give results. The expectation is more and larger projects/deals in 2020. Further an increase in projects/deals with delivery of SaaS products, which will level recurring revenue base.

The Management believes that the measures taken in previously years put the company and the Group 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

	Note	2019 DKK	2018 DKK
GROSS PROFIT.....		1.102.739	-3.682.010
Staff costs.....	1	-1.973.550	-4.435.995
Depreciation, amortisation and impairment.....		0	-28.889
OPERATING LOSS.....		-870.811	-8.146.894
Other financial income.....	2	140.636	753.064
Other financial expenses.....	3	-405.967	-324.654
LOSS BEFORE TAX.....		-1.136.142	-7.718.484
Tax on profit/loss for the year.....		0	0
LOSS FOR THE YEAR.....		-1.136.142	-7.718.484
PROPOSED DISTRIBUTION OF LOSS			
Retained earnings.....		-1.136.142	-7.718.484
TOTAL.....		-1.136.142	-7.718.484

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2019 DKK	2018 DKK
Rent deposit and other receivables.....	41.000	157.616	
Fixed asset investments.....	41.000	157.616	
FIXED ASSETS.....	41.000	157.616	
Finished goods and goods for resale.....	86.065	2.672.236	
Inventories.....	86.065	2.672.236	
Trade receivables.....	3.318.738	9.853.745	
Receivables from group enterprises.....	706.205	18.083	
Prepayments and accrued income.....	8.452	1.700.199	
Receivables.....	4.033.395	11.572.027	
CURRENT ASSETS.....	4.119.460	14.244.263	
ASSETS.....	4.160.460	14.401.879	

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2019 DKK	2018 DKK
Share capital.....		400.000	5.100.000
Retained profit.....		837.057	-12.226.801
EQUITY.....	4	1.237.057	-7.126.801
Trade payables.....		1.504.932	4.502.668
Payables to group enterprises.....		0	8.642.009
Other liabilities.....		1.418.471	2.952.784
Accruals and deferred income.....		0	5.431.219
Current liabilities.....		2.923.403	21.528.680
LIABILITIES.....		2.923.403	21.528.680
EQUITY AND LIABILITIES		4.160.460	14.401.879
Contingencies etc.	5		

NOTES

	2019 DKK	2018 DKK	Note
Staff costs			1
Average number of employees 3 (2018: 7)			
Wages and salaries.....	1.792.812	4.043.716	
Pensions.....	144.317	309.919	
Social security costs.....	12.428	2.828	
Other staff costs.....	23.993	79.532	
	1.973.550	4.435.995	
Other financial income			2
Group enterprises.....	140.636	748.939	
Other interest income.....	0	4.125	
	140.636	753.064	
Other financial expenses			3
Group enterprises.....	145.825	59.251	
Other interest expenses.....	260.142	265.403	
	405.967	324.654	
Equity			4
	Share capital	Retained profit	Total
Equity at 1 January 2019.....	5.100.000	-12.226.801	-7.126.801
Capital reduction.....	-4.700.000	4.700.000	
Subsidy from parent company.....		9.500.000	9.500.000
Proposed distribution of loss.....		-1.136.142	-1.136.142
Equity at 31 December 2019.....	400.000	837.057	1.237.057
Contingencies etc.			5
Contingent liabilities			
The Company has entered into rental agreements with a residual liability of 39 DKK ('000)			

ACCOUNTING POLICIES

The Annual Report of Mediability Denmark A/S for 2019 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B and certain provisions applying to reporting class C.

The Annual Report is prepared consistently with the accounting principles applied 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.

Where products with a high degree of individual adjustments are delivered, recognition in net revenue is made as and when the production progresses, the net revenue being equal to the sales value of the work performed for the year (the production method). This method is applied when the total costs and expenses regarding the contract and the degree of completion at the balance sheet date can be reliably assessed, and it is likely that the financial benefits will flow to the company.

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.

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, operating 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.

Financial income and expenses

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

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

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 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 recoverable amount is lower than the carrying amount, the asset is written down to the carrying amount.

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 cost of finished goods and work in progress includes cost of raw materials, consumables, direct payroll cost and indirect production cost. Indirect production costs include indirect materials and payroll and maintenance and depreciation of the machines, factory buildings and equipment used in the production process, cost of factory administration and management and capitalised development costs relating to the products.

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 written down to meet expected losses.

Accruals, assets

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

ACCOUNTING POLICIES

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 will 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 for short-term liabilities usually corresponds to the nominal value.

Accruals, liabilities

Accruals recognised as liabilities include payments received regarding income in subsequent years.