

# **LINK Mobile A/S**

Birkemose Allé 37, 6000 Kolding

CVR no. 31 76 22 00

## **Annual report 2017**

Approved at the Company's annual general meeting on 9 March 2018

Chairman:

  
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## Contents

<b>Statement by the Board of Directors and the Executive Board</b>	<b>2</b>
<b>Independent auditor's report</b>	<b>3</b>
<b>Management's review</b>	<b>5</b>
<b>Financial statements 1 January - 31 December</b>	<b>7</b>
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

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

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of LINK Mobile A/S for the financial year 1 January - 31 December 2017.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

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

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

Kolding, 9 March 2018  
Executive Board:

  
Søren Aarslev Sundahl

Board of Directors:

  
Arild Husted  
Chairman  
Thomas Martin Berge  
Søren Aarslev Sundahl

## **Independent auditor's report**

### **To the shareholders of LINK Mobile A/S**

#### **Opinion**

We have audited the financial statements of LINK Mobile A/S for the financial year 1 January - 31 December 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017, and of the results of the Company's 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

#### **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 as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent auditor's report

- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our 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 note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Kolding, 9 March 2018

BDO Statsautoriseret Revisionsaktieselskab

CVR no. 20 22 26 70



Henning Wiese

State Authorised Public Accountant

MNE no.: mne27707

## Management's review

### Company details

Name	LINK Mobile A/S
Address, Postal code, City	Birkemose Allé 37, 6000 Kolding
CVR no.	31 76 22 00
Registered office	Kolding
Financial year	1 January - 31 December
Board of Directors	Arild Husted, Chairman Thomas Martin Berge Søren Aarslev Sundahl
Executive Board	Søren Aarslev Sundahl
Auditors	BDO Statsautoriseret Revisionsaktieselskab Birkemose Allé 39, 6000 Kolding

## **Management's review**

### **Business review**

The purpose of the company is to deliver webbased hosting- and streaming solutions as well as run a telephone company, that sells mobile services in Denmark and in this way related business.

During 2017 most of the activities in the company were discontinued, it is expected that the company will discontinue all remaining activities during 2018.

### **Financial review**

The income statement for 2017 shows a profit of DKK 32,823 against a profit of DKK 488,014 last year, and the balance sheet at 31 December 2017 shows equity of DKK 827,872.

### **Events after the balance sheet date**

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2017	2016
	<b>Gross margin</b>	103,439	4,622,540
2	Staff costs	-16,213	-3,883,583
3	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-24,131	-73,193
	<b>Profit before net financials</b>	63,095	665,764
4	Financial expenses	-20,240	-36,706
	<b>Profit before tax</b>	42,855	629,058
5	Tax for the year	-10,032	-141,044
	<b>Profit for the year</b>	32,823	488,014
	<b>Recommended appropriation of profit</b>		
	Retained earnings	32,823	488,014
		32,823	488,014



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2017	2016
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
6	<b>Intangible assets</b>		
	Completed development projects	0	24,131
	Acquired intangible assets	0	26,090
		0	50,221
7	<b>Property, plant and equipment</b>		
	Other fixtures and fittings, tools and equipment	0	51,283
		0	51,283
	<b>Total fixed assets</b>	0	101,504
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Trade receivables	96,971	229,373
	Receivables from group entities	1,058,743	7,670,252
	Other receivables	0	538,155
		1,155,714	8,437,780
	<b>Cash</b>	0	370,816
	<b>Total non-fixed assets</b>	1,155,714	8,808,596
	<b>TOTAL ASSETS</b>	1,155,714	8,910,100

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2017	2016
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
8	Share capital	500,000	500,000
	Retained earnings	327,872	295,049
	<b>Total equity</b>	<b>827,872</b>	<b>795,049</b>
	<b>Provisions</b>		
	Deferred tax	0	8,228
	<b>Total provisions</b>	<b>0</b>	<b>8,228</b>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Other credit institutions	24,398	70,658
	Trade payables	71,910	5,211,849
	Payables to group entities	126,905	0
	Income taxes payable	18,260	83,490
	Other payables	86,369	2,740,826
		327,842	8,106,823
	<b>Total liabilities other than provisions</b>	<b>327,842</b>	<b>8,106,823</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,155,714</b>	<b>8,910,100</b>

1 Accounting policies

9 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2017	500,000	295,049	795,049
Transfer through appropriation of profit	0	32,823	32,823
<b>Equity at 31 December 2017</b>	<b>500,000</b>	<b>327,872</b>	<b>827,872</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of LINK Mobile A/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

### Income statement

#### Revenue

Income from the rendering of services is recognised as revenue as the services are rendered. Accordingly, revenue corresponds to the market value of the services rendered during the year (percentage-of-completion method).

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

#### Gross margin

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

#### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

#### Staff costs

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

#### Amortisation/depreciation and impairment

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

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

Completed development projects	5 years
Acquired intangible assets	5 years
Other fixtures and fittings, tools and equipment	3-5 years

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Financial expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, exchange gains and losses and amortisation of financial assets and liabilities.

##### Tax

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

The entity is jointly taxed with other danish group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

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

##### Balance sheet

##### Intangible assets

Other intangible assets include development projects and other acquired intangible rights, including software licences, distribution rights and development projects.

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

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

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

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

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Prepayments

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

##### Equity

##### *Proposed dividends*

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

##### Income taxes

Current tax payable and receivable is recognised in the balance sheet as the estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and tax paid on account.

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

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

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

DKK	2017	2016
<b>2 Staff costs</b>		
Wages/salaries	16,213	3,389,515
Pensions	0	353,977
Other staff costs	0	140,091
	<u>16,213</u>	<u>3,883,583</u>
Average number of full-time employees	<u>0</u>	<u>7</u>
The Company has no employees.		
<b>3 Amortisation/depreciation and impairment of intangible assets and property, plant and equipment</b>		
Amortisation of intangible assets	0	39,004
Impairment of intangible assets	24,131	0
Depreciation of property, plant and equipment	0	34,189
	<u>24,131</u>	<u>73,193</u>
<b>4 Financial expenses</b>		
Other financial expenses	<u>20,240</u>	<u>36,706</u>
	<u>20,240</u>	<u>36,706</u>
<b>5 Tax for the year</b>		
Estimated tax charge for the year	18,260	83,490
Deferred tax adjustments in the year	-8,228	57,554
	<u>10,032</u>	<u>141,044</u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Intangible assets

DKK	Completed development projects	Acquired intangible assets	Total
Cost at 1 January 2017	28,901	152,702	181,603
Disposals in the year	-28,901	-152,702	-181,603
Cost at 31 December 2017	0	0	0
Impairment losses and amortisation at 1 January 2017	4,770	126,612	131,382
Impairment losses in the year	24,131	0	24,131
Reversal of amortisation/depreciation and impairment of disposals	-28,901	-126,612	-155,513
Impairment losses and amortisation at 31 December 2017	0	0	0
Carrying amount at 31 December 2017	0	0	0

#### 7 Property, plant and equipment

DKK	Other fixtures and fittings, tools and equipment
Cost at 1 January 2017	97,880
Disposals in the year	-97,880
Cost at 31 December 2017	0
Impairment losses and depreciation at 1 January 2017	46,597
Reversal of amortisation/depreciation and impairment of disposals	-46,597
Impairment losses and depreciation at 31 December 2017	0
Carrying amount at 31 December 2017	0

#### 8 Share capital

Analysis of changes in the share capital over the past 5 years:

DKK	2017	2016	2015	2014	2013
Opening balance	500,000	500,000	125,000	125,000	125,000
Capital increase	0	0	375,000	0	0
	500,000	500,000	500,000	125,000	125,000



## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 9 Related parties

##### Information about consolidated financial statements

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

##### Ownership

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

Name	Domicile
LINK Mobility Group ASA	Oslo