Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Phone +45 36 10 20 30
Fax +45 36 10 20 40
www.deloitte.dk

Blackwood Seven A/S

Livjægergade 17 B, 2.
2100 Copenhagen
Central Business Registration
No 32337422

Annual report 2016

The Annual General Meeting adopted the annual report on 23.06.2017

Chairman of the General Meeting

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Name: Nils Peter Mortensen

Contents

Entity details

Entity
Blackwood Seven A/S
Livjægergade 17 B, 2.
2100 Copenhagen

Central Business Registration No: 32337422
Registered in: Copenhagen
Financial year: 01.01.2016 - 31.12.2016

Board of Directors
Jacob Fonnesbech Aqraou, Chairman
Jean Adophe Schmitt
Mark Paul Zamuner
Christopher Marlowe Barchak
Ulrik Jørring
Carl Erik Kjærsgaard
Christian Lindegaard Jepsen

Executive Board
Carl Erik Kjærsgaard, CEO
Thomas Christian Bertelsen
Henrik Richard Hasselbalch Busch

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

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

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations and cash flows for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 23.06.2017

Executive Board

Carl Erik Kjærsgaard CEO	Thomas Christian Bertelsen	Henrik Richard Hasselbalch Busch

Board of Directors

Jacob Fonnesbech Aqraou Chairman	Jean Adophe Schmitt	Mark Paul Zamuner
Christopher Marlowe Barchak	Ulrik Jørring	Carl Erik Kjærsgaard
Christian Lindegaard Jepsen		

Independent auditor's report

To the shareholders of Blackwood Seven A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of Blackwood Seven A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2016, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and parent financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Group's and the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Statement on the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 23.06.2017

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Bjørn Winkler Jakobsen
State-Authorised Public Accountant

Management commentary

	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000
Financial highlights				
Key figures				
Revenue	430.117	310.415	71.015	638
Gross profit/loss	31.089	5.868	(3.800)	(841)
Operating profit/loss	(53.879)	(28.684)	(16.455)	(3.119)
Net financials	(4.515)	(2.579)	(530)	(19)
Profit/loss for the year	(51.972)	(31.061)	(16.246)	(2.412)
Total assets	598.312	98.885	42.533	12.363
Investments in property, plant and equipment	695	971	84	259
Equity incl minority interests	112.009	9.688	7.024	7.771
Ratios				
Return on equity (%)	(85,4)	(371,7)	(219,6)	(31,0)
Equity ratio (%)	18,7	9,8	16,5	62,9
Profit margin	(15,5)	(9,2)	(23,2)	(488,9)

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios
Return on equity (%)	$\frac{\text{Profit/loss for the year x 100}}{\text{Average equity incl minority interests}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity incl minority interests x 100}}{\text{Total assets}}$	The financial strength of the entity.
Profit margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$	The entity's earnings capacity.

Management commentary

Primary activities

Blackwood Seven A/S is a media technology company with a SaaS platform by which advertisers will achieve optimal sales and marketing effects across all media channels through automated data modeling, planning, booking and tracking of media in real time.

Development in activities and finances

Blackwood Seven A/S was founded in 2013 and has successfully reached the ambitious targets set for the platform development and client acquisitions.

In 2016, Blackwood Seven A/S was established on the US market through the acquisition of the US media agency Two Nil, now Blackwood Seven US, Ltd. Blackwood Seven US, Ltd. is consolidated in the consolidated financial statements for the period September to December 2016. Blackwood Seven US, Ltd. generated profits throughout 2016.

Financial results are on budget and considered satisfactory.

Blackwood Seven A/S has in August 2016 carried out a capital increase from Vækstfonden, Sunstone Capital, Conor Technology Ventures Fund and Jolt Targeted Opportunities FPCI.

Outlook

We expect a positive development in the Company as a result of the continuous product development and huge interest in the market.

Our product development is focused on the atomization of the media planning and execution process in order to free up resources from manual tasks and from increased granularity of the media recommendation via AI.

In 2017, we expect a sharp increase in revenue and in the number of new clients signing up for our platform.

With our constant investment in developing our platform, we expect to generate results in 2017 in line with 2016.

Particular risks

Blackwood Seven A/S' business and financial risks are closely related to the development in the economy in the markets we operate in.

The primary financial risk for Blackwood Seven A/S is the customers' ability to pay. Consequently, we have applied safeguards and have taken out credit insurances on all customers.

Intellectual capital resources

Blackwood Seven A/S' platform development places high demands on and deep insights in our development team's knowledge in the field of technical, AI, and business development.

In order to continuously develop the best-in-the-market software, we have a clear strategy for recruiting and retaining highly skilled employees.

Management commentary

Environmental performance

Blackwood Seven A/S is extremely environmentally responsible and works continuously to limit the environmental impact of corporate operations.

Research and development activities

In the past year, the development activities focused on three different areas. For AI, we have focused on developing the atomized part of modeling framework during 2016, which has become increasingly independent on human interference and which is able to make decisions based on data. During the year, we have focused on creating a taxonomy within data processing of data which enables an increased scaling of the business. Finally, we have developed several tools within user interface which enable an early configuration of new clients and create the groundworks for a subsequent scaling.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Consolidated income statement for 2016

	Notes	2016 DKK	2015 DKK'000
Revenue		430.116.817	310.415
Other operating income		441.071	361
Cost of sales		(373.075.778)	(287.513)
Other external expenses		(26.393.194)	(17.395)
Gross profit/loss		**31.088.916**	**5.868**
Staff costs	1	(65.973.865)	(28.409)
Depreciation, amortisation and impairment losses	2	(18.993.760)	(6.143)
Operating profit/loss		**(53.878.709)**	**(28.684)**
Other financial income		10.635	16
Other financial expenses		(4.525.961)	(2.595)
Profit/loss before tax		**(58.394.035)**	**(31.263)**
Tax on profit/loss for the year	3	6.421.750	202
Profit/loss for the year	4	**(51.972.285)**	**(31.061)**

Consolidated balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK'000
Completed development projects		24.461.019	7.172
Goodwill		139.161.527	12.728
Development projects in progress		0	11.074
Intangible assets	5	**163.622.546**	**30.974**
Other fixtures and fittings, tools and equipment		940.379	654
Leasehold improvements		84.458	128
Property, plant and equipment	6	**1.024.837**	**782**
Other receivables		1.195.826	782
Fixed asset investments	7	**1.195.826**	**782**
Fixed assets		**165.843.209**	**32.538**
Trade receivables		186.024.515	40.370
Deferred tax		515.000	520
Other receivables		772.093	2.714
Income tax receivable		3.562.000	3.035
Prepayments	8	4.686.488	1.069
Receivables		**195.560.096**	**47.708**
Cash		**236.908.921**	**18.639**
Current assets		**432.469.017**	**66.347**
Assets		**598.312.226**	**98.885**

Consolidated balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK'000
Contributed capital		4.090.448	2.895
Reserve for development expenditure		5.274.811	0
Retained earnings		102.643.280	6.793
Equity		**112.008.539**	**9.688**
Deferred tax		0	4.144
Provisions		**0**	**4.144**
Convertible and dividend-yielding debt instruments	9	12.163.303	0
Other payables		50.478.121	33.128
Non-current liabilities other than provisions	10	**62.641.424**	**33.128**
Current portion of long-term liabilities other than provisions	10	23.489.258	2.000
Bank loans		2.193.421	0
Prepayments received from customers		787.209	3.497
Trade payables		370.839.945	34.117
Income tax payable		1.289.186	0
Other payables		23.298.800	12.301
Deferred income	11	1.764.444	10
Current liabilities other than provisions		**423.662.263**	**51.925**
Liabilities other than provisions		**486.303.687**	**85.053**
Equity and liabilities		**598.312.226**	**98.885**
Unrecognised rental and lease commitments	13		
Contingent liabilities	14		
Mortgages and securities	15		
Transactions with related parties	16		
Subsidiaries	17		

Consolidated statement of changes in equity for 2016

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK
Equity beginning of year	2.895.326	0	0	6.794.001
Increase of capital	1.195.122	152.874.216	0	0
Exchange rate adjustments	0	0	0	222.159
Transfer to reserves	0	(152.874.216)	5.274.811	147.599.405
Profit/loss for the year	0	0	0	(51.972.285)
Equity end of year	**4.090.448**	**0**	**5.274.811**	**102.643.280**

	Total DKK
Equity beginning of year	9.689.327
Increase of capital	154.069.338
Exchange rate adjustments	222.159
Transfer to reserves	0
Profit/loss for the year	(51.972.285)
Equity end of year	**112.008.539**

Consolidated cash flow statement for 2016

	Notes	2016 DKK	2015 DKK'000
Operating profit/loss		(53.874.432)	(28.686)
Amortisation, depreciation and impairment losses		18.993.760	6.143
Working capital changes	12	4.615.480	11.808
Cash flow from ordinary operating activities		**(30.265.192)**	**(10.735)**
Financial income received		10.635	17
Financial income paid		(4.525.961)	(2.596)
Income taxes refunded/(paid)		2.602.399	2.023
Cash flows from operating activities		**(32.178.119)**	**(11.291)**
Acquisition etc of intangible assets		(16.190.765)	(11.074)
Acquisition etc of property, plant and equipment		(485.530)	(150)
Acquisition of fixed asset investments		(139.091.529)	(25.890)
Sale of fixed asset investments		75.000	0
Cash flows from investing activities		**(155.692.824)**	**(37.114)**
Loans raised		0	29.359
Instalments on loans etc		(2.000.000)	0
Cash increase of capital		93.074.672	24.201
Addition cash through business combinations		312.871.920	0
Cash flows from financing activities		**403.946.592**	**53.560**
Increase/decrease in cash and cash equivalents		**216.075.649**	**5.155**
Cash and cash equivalents beginning of year		18.639.851	13.484
Cash and cash equivalents end of year		**234.715.500**	**18.639**
Cash and cash equivalents at year-end are composed of:			
Cash		236.908.921	18.639
Short-term debt to banks		(2.193.421)	0
Cash and cash equivalents end of year		**234.715.500**	**18.639**

Notes to consolidated financial statements

	2016 DKK	2015 DKK'000
1. Staff costs		
Wages and salaries	52.306.003	25.193
Other social security costs	4.918.475	2.651
Other staff costs	8.749.387	565
	65.973.865	**28.409**
Average number of employees	**135**	

	Remuneration of management 2016 DKK	Remuneration of management 2015 DKK'000
Executive Board	2.852.889	2.424
	2.852.889	**2.424**

	2016 DKK	2015 DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	18.527.589	5.707
Depreciation of property, plant and equipment	466.171	392
Impairment losses on property, plant and equipment	0	44
	18.993.760	**6.143**

	2016 DKK	2015 DKK'000
3. Tax on profit/loss for the year		
Tax on current year taxable income	(2.283.251)	(2.602)
Change in deferred tax for the year	(3.972.266)	2.400
Effect of changed tax rates	(166.233)	0
	(6.421.750)	**(202)**

	2016 DKK	2015 DKK'000
4. Proposed distribution of profit/loss		
Retained earnings	(51.972.285)	(31.061)
	(51.972.285)	**(31.061)**

Notes to consolidated financial statements

	Completed develop-ment projects DKK	Goodwill DKK	Develop-ment projects in progress DKK
5. Intangible assets			
Cost beginning of year	10.758.145	14.848.186	11.074.042
Addition through business combinations etc	0	134.985.396	0
Transfers	11.074.042	0	(11.074.042)
Additions	16.190.765	0	0
Cost end of year	**38.022.952**	**149.833.582**	**0**
Amortisation and impairment losses beginning of year	(3.586.048)	(2.120.351)	0
Amortisation for the year	(9.975.885)	(8.551.704)	0
Amortisation and impairment losses end of year	**(13.561.933)**	**(10.672.055)**	**0**
Carrying amount end of year	**24.461.019**	**139.161.527**	**0**

Development projects in progress

The Blackwood Seven platform, including features for data collection and storage, for data analysis, predictive modeling, and media buying, is our company’s most significant intangible asset. The cost of having developed it mainly comprises man hours spent by our internal staff supplemented by significant resources spent on external expert consultants.

The Engineering and Product Management regularly assess the value of this asset based on the future market potential and our growth expectations.

The value of the intangible assets, including core software, has been reviewed for impairment but no need for write-downs was identified.

Notes to consolidated financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
6. Property, plant and equipment		
Cost beginning of year	1.010.396	304.834
Addition through business combinations etc	209.582	0
Exchange rate adjustments	19.472	0
Additions	485.530	0
Disposals	0	(87.023)
Cost end of year	**1.724.980**	**217.811**
Depreciation and impairment losses beginning of the year	(355.636)	(176.648)
Exchange rate adjustments	1.713	0
Transfers	(8.235)	0
Impairment losses for the year	0	87.023
Depreciation for the year	(422.443)	(43.728)
Depreciation and impairment losses end of the year	**(784.601)**	**(133.353)**
Carrying amount end of year	**940.379**	**84.458**

	Other receivables DKK
7. Fixed asset investments	
Cost beginning of year	357.797
Exchange rate adjustments	(1.574)
Additions	914.603
Disposals	(75.000)
Cost end of year	**1.195.826**
Carrying amount end of year	**1.195.826**

8. Prepayments

Prepayments recognised under assets comprise expenses incurred related to the subsequent financial year.

9. Convertible, profit-yielding or dividend-yielding long-term debt instruments

The loan is convertible in the period 26 May 2017 to 26 May 2018. The conversion will be performed at a rate which constitutes 85% of the most recent price at a third party funding.

Notes to consolidated financial statements

	Instalments within 12 months 2016 DKK	Instalments within 12 months 2015 DKK'000	Instalments beyond 12 months 2016 DKK	Outstanding after 5 years DKK
10. Liabilities other than provisions				
Convertible and dividend-yielding debt instruments	0	0	12.163.303	0
Other payables	23.489.258	2.000	50.478.121	5.499.606
	23.489.258	**2.000**	**62.641.424**	**5.499.606**

11. Short-term deferred income

Deferred income comprises income received to be recognised in the subsequent financial year.

	2016 DKK	2015 DKK'000
12. Change in working capital		
Increase/decrease in receivables	(39.427.853)	(1.686)
Increase/decrease in trade payables etc	44.150.742	11.568
Other changes	(107.409)	1.926
	4.615.480	**11.808**

	2016 DKK	2015 DKK'000
13. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	**13.236.639**	**4.000**

	2016 DKK	2015 DKK'000
14. Contingent liabilities		
Recourse and non-recourse guarantee commitments	10.000.000	7.500
Contingent liabilities in total	**10.000.000**	**7.500**

15. Mortgages and securities

Blackwood Seven A/S has issued an all money mortgage totalling DKK 14 milion providing company charge in operating fixtures and equipment as well as goodwill, domain names and rights providing security for balances with Blackwood Seven Danmark A/S lenders. The carrying amount of the pledged assets amounts to DKK 224.790 thousand.

16. Transactions with related parties

No transactions with related parties were made in FY2016 that were not made on an arm’s length basis.

Notes to consolidated financial statements

	Registered in	Corpo-rate form	Equity inte-rest %
17. Subsidiaries			
Blackwood Seven Danmark A/S	Denmark	A/S	100,0
Blackwood Seven Germany GmbH	Germany	GmbH	100,0
Blackwood Seven Spain SLU	Spain	SLU	100,0
Blackwood Seven US INC	ISA	INC	100,0

According to §264 (3) HGB (Germany), the subsidary, Blackwood Seven Germany GmbH, is exempted from a financial audit, disclosure of financial statements, preperation of notes and preperation of a management report.

Parent income statement for 2016

	Notes	2016 DKK	2015 DKK'000
Other operating income		4.058.084	243
Other external expenses		(20.407.441)	(5.115)
Gross profit/loss		**(16.349.357)**	**(4.872)**
Staff costs	1	(12.219.259)	(8.991)
Depreciation, amortisation and impairment losses	2	(10.031.232)	(3.697)
Operating profit/loss		**(38.599.848)**	**(17.560)**
Income from investments in group enterprises		(16.913.628)	(11.377)
Other financial expenses	3	(4.164.308)	(2.326)
Profit/loss before tax		**(59.677.784)**	**(31.263)**
Tax on profit/loss for the year	4	7.705.499	202
Profit/loss for the year	5	**(51.972.285)**	**(31.061)**

Parent balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK'000
Completed development projects		24.461.019	7.172
Development projects in progress		0	11.074
Intangible assets	6	**24.461.019**	**18.246**
Other fixtures and fittings, tools and equipment		16.582	37
Leasehold improvements		84.497	128
Property, plant and equipment	7	**101.079**	**165**
Investments in group enterprises		160.196.984	15.312
Other receivables		214.251	283
Fixed asset investments	8	**160.411.235**	**15.595**
Fixed assets		**184.973.333**	**34.006**
Trade receivables		26.868	0
Receivables from group enterprises		183.337	3.295
Other receivables		344.920	876
Income tax receivable		3.562.000	2.602
Prepayments	9	228.160	182
Receivables		**4.345.285**	**6.955**
Cash		**35.471.453**	**12.486**
Current assets		**39.816.738**	**19.441**
Assets		**224.790.071**	**53.447**

Parent balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK'000
Contributed capital	10	4.090.448	2.895
Reserve for development expenditure		5.274.811	0
Retained earnings		102.643.280	6.794
Equity		**112.008.539**	**9.689**
Deferred tax	11	0	4.143
Provisions		**0**	**4.143**
Convertible and dividend-yielding debt instruments	12	12.163.303	18.211
Other payables		50.478.121	14.910
Non-current liabilities other than provisions	13	**62.641.424**	**33.121**
Current portion of long-term liabilities other than provisions	13	23.489.258	2.000
Trade payables		1.821.534	2.298
Payables to group enterprises		21.271.566	123
Other payables		3.557.750	2.063
Deferred income	14	0	10
Current liabilities other than provisions		**50.140.108**	**6.494**
Liabilities other than provisions		**112.781.532**	**39.615**
Equity and liabilities		**224.790.071**	**53.447**
Unrecognised rental and lease commitments	15		
Mortgages and securities	16		
Transactions with related parties	17		

Parent statement of changes in equity for 2016

	Contributed capital DKK	Share premium DKK	Reserve for development expenditure DKK	Retained earnings DKK
Equity beginning of year	2.895.326	0	0	6.794.001
Increase of capital	1.195.122	152.874.216	0	0
Exchange rate adjustments	0	0	0	222.159
Transfer to reserves	0	(152.874.216)	5.274.811	147.599.405
Profit/loss for the year	0	0	0	(51.972.285)
Equity end of year	**4.090.448**	**0**	**5.274.811**	**102.643.280**

	Total DKK
Equity beginning of year	9.689.327
Increase of capital	154.069.338
Exchange rate adjustments	222.159
Transfer to reserves	0
Profit/loss for the year	(51.972.285)
Equity end of year	**112.008.539**

Notes to parent financial statements

	2016 DKK	2015 DKK'000
1. Staff costs		
Wages and salaries	11.895.038	8.648
Other social security costs	84.918	116
Other staff costs	239.303	227
	12.219.259	**8.991**

	2016 DKK	2015 DKK'000
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	9.975.885	3.586
Depreciation of property, plant and equipment	55.347	67
Impairment losses on property, plant and equipment	0	44
	10.031.232	**3.697**

	2016 DKK	2015 DKK'000
3. Other financial expenses		
Interest expenses	3.514	21
Other financial expenses	4.160.794	2.305
	4.164.308	**2.326**

	2016 DKK	2015 DKK'000
4. Tax on profit/loss for the year		
Tax on current year taxable income	(3.562.000)	(2.602)
Change in deferred tax for the year	(3.977.266)	2.400
Adjustment concerning previous years	(166.233)	0
	(7.705.499)	**(202)**

	2016 DKK	2015 DKK'000
5. Proposed distribution of profit/loss		
Retained earnings	(51.972.285)	(31.061)
	(51.972.285)	**(31.061)**

Notes to parent financial statements

	Completed development projects DKK	Development projects in progress DKK
6. Intangible assets		
Cost beginning of year	10.758.145	11.074.042
Transfers	11.074.042	(11.074.042)
Additions	16.190.765	0
Cost end of year	**38.022.952**	**0**
Amortisation and impairment losses beginning of year	(3.586.048)	0
Amortisation for the year	(9.975.885)	0
Amortisation and impairment losses end of year	**(13.561.933)**	**0**
Carrying amount end of year	**24.461.019**	**0**

Udviklingsprojekter under udførelse

The Blackwood Seven platform, including features for data collection and storage, for data analysis, predictive modeling, and media buying, is our company's most significant intangible asset. The cost of having developed it mainly comprises man hours spent by our internal staff supplemented by significant resources spent on external expert consultants.

The Engineering and Product Management regularly assess the value of this asset based on the future market potential and our growth expectations.

The value of the intangible assets, including core software, has been reviewed for impairment but no need for write-downs was identified.

Notes to parent financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
7. Property, plant and equipment		
Cost beginning of year	67.915	304.834
Disposals	0	(87.023)
Cost end of year	**67.915**	**217.811**
Depreciation and impairment losses beginning of the year	(31.440)	(176.648)
Transfers	(8.235)	0
Depreciation for the year	(11.658)	(43.689)
Reversal regarding disposals	0	87.023
Depreciation and impairment losses end of the year	**(51.333)**	**(133.314)**
Carrying amount end of year	**16.582**	**84.497**

	Investments in group enterprises DKK	Other receivables DKK
8. Fixed asset investments		
Cost beginning of year	28.389.785	282.797
Addition through business combinations etc	139.091.529	0
Additions	22.485.204	6.454
Disposals	0	(75.000)
Cost end of year	**189.966.518**	**214.251**
Impairment losses beginning of year	(13.078.065)	0
Exchange rate adjustments	222.159	0
Amortisation of goodwill	(8.551.704)	0
Share of profit/loss for the year	14.123.280	0
Adjustment of intra-group profits	(22.485.204)	0
Impairment losses end of year	**(29.769.534)**	**0**
Carrying amount end of year	**160.196.984**	**214.251**

9. Prepayments

Prepayments recognised under assets comprise expenses incurred related to the subsequent financial year.

Notes to parent financial statements

	Number	Par value DKK	Nominal value DKK
10. Contributed capital			
A shares	1.439.570	1	1.439.570
B shares	740.734	1	740.734
C shares	1.186.334	1	1.186.334
D Shares	723.810	1	723.810
	4.090.448		**4.090.448**

	2016 DKK	2015 DKK'000
11. Deferred tax		
Intangible assets	5.382.000	4.287
Property, plant and equipment	(55.000)	(138)
Fixed asset investments	(6.295)	(6)
Tax losses carried forward	(5.320.705)	0
	0	**4.143**

Changes during the year	
Beginning of year	4.143.499
Recognised in the income statement	(4.143.499)
End of year	**0**

12. Convertible, profit-yielding or dividend-yielding long-term debt instruments

The loan is convertible in the period 26 May 2017 to 26 May 2018. The conversion will be performed at a rate which constitutes 85% of the most recent price at a third party funding.

	Instalments within 12 months 2016 DKK	Instalments within 12 months 2015 DKK'000	Instalments beyond 12 months 2016 DKK	Outstanding after 5 years DKK
13. Liabilities other than provisions				
Convertible and dividend-yielding debt instruments	0	0	12.163.303	0
Other payables	23.489.258	2.000	50.478.121	5.499.606
	23.489.258	**2.000**	**62.641.424**	**5.499.606**

14. Deferred income

Deferred income comprises income received to be recognised in the subsequent financial year.

Notes to parent financial statements

	2016 DKK	2015 DKK'000
15. Unrecognised rental and lease commitments		
Hereof liabilities under rental or lease agreements until maturity in total	**611.771**	**1.120**

16. Mortgages and securities

Blackwood Seven A/S has issued an all money mortgage totalling DKK 14 milion providing company charge in operating fixtures and equipment as well as goodwill, domain names and rights providing security for balances with Blackwood Seven Danmark A/S lenders. The carrying amount of the pledged assets amounts to DKK 224.790 thousand.

The company serves as an administration company in a Danish joint taxaction arragement. According to the joint taxaction provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2015 for income taxes etc. for the jointly taxed companies and from 13 May 2014 also for obligations, if any, relating to the withholding of tax on tneres royalites and dividends for these companies.

17. Transactions with related parties

No transactions with related parties were made in FY2016 that were not made on an arm’s length basis.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C.

The accounting policies applied to these consolidated financial statements and parent financial statements are consistent with those applied last year.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group’s accounting policies.

Subsidiaries’ financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries’ net assets at the acquisition date, with net assets having been calculated at fair value.

Accounting policies

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

When recognising foreign subsidiaries and associates that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date.

Goodwill is considered belonging to the independent foreign entity and is translated using the exchange rate at the balance sheet date. Exchange differences arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Exchange adjustments of outstanding accounts with independent foreign subsidiaries which are considered part of the total investment in the subsidiary in question are classified directly as equity.

When recognising foreign subsidiaries that are integral entities, monetary assets and liabilities are translated using the exchange rates at the balance sheet date. Non-monetary assets and liabilities are translated at the exchange rate of the time of acquisition or the time of any subsequent revaluation or write-down. The items of the income statement are translated at the average rates of the months; however, items deriving from non-monetary assets and liabilities are translated using the historical rates applicable to the relevant non-monetary items.

Income statement
Revenue
Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Accounting policies

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Amortisation, depreciation and impairment losses relating to intangible assets and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as equipment.

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

Other financial income
Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Accounting policies

Balance sheet

Goodwill

Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 7 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation on property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects, protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. The amortisation periods used are 3 years.

Property, plant and equipment

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

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Accounting policies

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

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

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straigth-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 7 years.

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

Receivables
Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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

Accounting policies

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

Cash
Cash comprises cash in hand and bank deposits.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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

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

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.