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INVENTORY 2 ApS

Dampfærgevej 3, 5.
2100 København Ø
Business Registration No
33056761

Annual report 2017

The Annual General Meeting adopted the annual report on 20.04.2018

Chairman of the General Meeting

Name: Nicolas Gøtze

Contents

Entity details

Entity
INVENTORY 2 ApS
Dampfærgevej 3, 5.
2100 København Ø

Central Business Registration No (CVR): 33056761
Registered in: København
Financial year: 01.01.2017 - 31.12.2017

Board of Directors
Andreas Velter, Chairman
Henrik Sahlholt
Nicolas Gøtze

Executive Board
Nicolas Gøtze, Chief Executive Officer

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
PO Box 1600
0900 Copenhagen C

Statement by Management on the annual report

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of INVENTORY 2 ApS for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity’s financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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, 20.04.2018

Executive Board

Nicolas Gøtze
Chief Executive Officer

Board of Directors

Andreas Velter Chairman	Henrik Sahlholt	Nicolas Gøtze

Independent auditor's report

To the shareholder of INVENTORY 2 ApS

Opinion

We have audited the financial statements of INVENTORY 2 ApS for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including 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 Entity’s financial position at 31.12.2017 and of the results of its operations and cash flows for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor’s report. We are independent of the Entity 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 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 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 financial statements unless Management either intends to liquidate the Entity 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 statementss 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 exits. 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 judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- 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 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 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 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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary
Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 the management commentary.

Copenhagen, 20.04.2018

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Christian Sanderhage
State Authorised Public Accountant
Identification No (MNE) mne23347

Management commentary

Primary activities

The Company sells licences to TV stations.

Description of material changes in activities and finances

Last year we change the financial period from 30.06 to 31.12, because we want the same financial year as our mother company in Singapore.

Development in activities and finances

Profit for the year 2017 amounts to DKK 1.577 thousand against a profit of DKK 691 thousand last year (01.07.2016 – 31.12.2016).

At 31 December 2017, the Company's equity was positive by DKK 2,317 thousand. Last year 31. December 2016 was the equity positive by DKK 1,240 thousand.

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.

Income statement for 2017

	Notes	2017 DKK	2016 DKK
Gross profit		**7.434.578**	**3.328.348**
Staff costs		(5.385.946)	(2.422.440)
Depreciation, amortisation and impairment losses		(4.477)	(13.425)
Operating profit/loss		**2.044.155**	**892.483**
Other financial expenses		(21.130)	(6.816)
Profit/loss before tax		**2.023.025**	**885.667**
Tax on profit/loss for the year	1	(446.433)	(194.847)
Profit/loss for the year		**1.576.592**	**690.820**
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		1.000.000	500.000
Retained earnings		576.592	190.820
		1.576.592	**690.820**

Balance sheet at 31.12.2017

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Other fixtures and fittings, tools and equipment		0	4.477
Property, plant and equipment	2	**0**	**4.477**
Fixed assets		**0**	**4.477**
Receivables from group enterprises		1.981.488	0
Deferred tax		0	3.680
Other receivables		39.454	78.781
Receivables		**2.020.942**	**82.461**
Cash		**1.985.035**	**2.716.603**
Current assets		**4.005.977**	**2.799.064**
Assets		**4.005.977**	**2.803.541**

Balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK
Contributed capital	3	80.000	80.000
Retained earnings		1.236.925	660.333
Proposed dividend		1.000.000	500.000
Equity		**2.316.925**	**1.240.333**
Income tax payable		564.369	357.322
Non-current liabilities other than provisions		**564.369**	**357.322**
Trade payables		190.438	157.548
Other payables		934.245	1.048.338
Current liabilities other than provisions		**1.124.683**	**1.205.886**
Liabilities other than provisions		**1.689.052**	**1.563.208**
Equity and liabilities		**4.005.977**	**2.803.541**
Related parties with controlling interest	4		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	80.000	660.333	500.000	1.240.333
Ordinary dividend paid	0	0	(500.000)	(500.000)
Profit/loss for the year	0	576.592	1.000.000	1.576.592
Equity end of year	**80.000**	**1.236.925**	**1.000.000**	**2.316.925**

Notes

	2017 DKK	2016 DKK
1. Tax on profit/loss for the year		
Current tax	442.753	190.510
Change in deferred tax	3.680	4.337
	446.433	**194.847**

	Other fixtures and fittings, tools and equipment DKK
2. Property, plant and equipment	
Cost beginning of year	495.898
Cost end of year	**495.898**
Depreciation and impairment losses beginning of year	(491.421)
Depreciation for the year	(4.477)
Depreciation and impairment losses end of year	**(495.898)**
Carrying amount end of year	**0**

	Number	Par value DKK	Nominal value DKK
3. Contributed capital			
Ordinary shares	160	500	80.000
	160		**80.000**

4. Related parties with controlling interest

Inventory 2 Aps is incorporated in the consolidated financial statements of Inventory 2 Pte. Ltd., Registration No. 200614135K in Singapore.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

Last year the company change the period from 30.06 to 31.12, as they want the same financial year as the mother company in Singapore.

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.

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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, development cost and royalties.

Revenue

Revenue from the sale of licences is recognised in the income statement when rights to the licences have passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts.

Accounting policies

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 costs of sales for the financial year measured at cost.

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 write-downs 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 property, plant 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 property, plant and equipment.

Other financial expenses

Other financial income comprises interest income, including foreign currency transactions as well as tax relief 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.

Balance sheet

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 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Property, plant and equipment 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 carryforwards, 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.

Cash
Cash comprises cash in hand and bank deposits.

Dividend
Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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

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