Mobylife Holding A/S

c/o Accountor Herlev Hovedgade 195C, 2. 2730 Herlev, Denmark

Financial Statements
1 January - 31 December 2018

CVR-nr. 35 25 45 52

The Financial Statements has been presented and adopted at the Annual General Meeting of the Company on 22/5 2019

Mads Mathias Middelboe
Chairman

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Management's Statement

The Board of Directors and Executive Board have today considered and adopted the Annual Report of Mobylife Holding A/S for the financial year 1 January – 31 December 2018.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1 January – 31 December 2018.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 22 February 2019

Executive Management

Jakob Holmen Kraglund
CEO

Board of Directors

Mads Mathias Middelboe
Chairman

Vilhelm Eigil Hahn-Petersen
Deputy Chairman

Jacob Christian Nielsen Thygesen

Peter Ryttergaard

Independent Auditor's Report

To the Shareholders of Mobylife Holding A/S

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2018 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Mobylife Holding A/S for the financial year 1 January - 31 December 2018, which comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies, for both the Group and the Parent Company ("financial statements").

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 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management's Review.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in 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 Group's and the Parent 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 Group or the Parent 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 Group's and the Parent Company'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 Group's and the Parent 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 Group and the Parent 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.

- 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.

Hellerup, 26 February 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

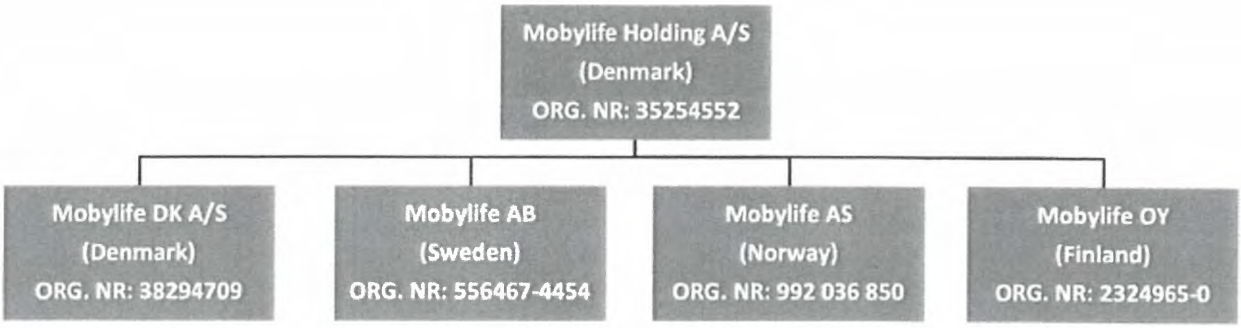
Torben Jensen
State Authorised Public Accountant
mne 18651

Thomas Baunkjær Andersen
State Authorised Public Accountant
mne 35483

Company Information

The Company	Mobylife Holding A/S Herlev Hovedgade 195C, 2. DK–2730 Herlev Telephone: +45 7020 7576 CVR No: 35 25 45 52 Financial period: 1 January - 31 December Financial year: 2018 Municipality of reg. office: Herlev
Board of Directors	Mads Mathias Middelboe, Chairman Vilhelm Eigil Hahn-Petersen, Deputy Chairman Jacob Christian Nielsen Thygesen Peter Ryttergaard
Executive Management	Jakob Holmen Kraglund
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup Cvr nr. 33 77 12 31

Group Chart as of 31 December 2018



Management's review

The private equity fund CataCap owns 92.1% of Mobylife Holding A/S ("MLH") via CataCap I K/S and CC Orange Invest ApS including part ownership of Mobylife DM ApS. The remaining shares are directly or indirectly owned by Executive Management and the Board.

CataCap is a member of the Danish Venture Capital and Private Equity Association ("DVCA") and subject to comply with the guidelines issued by DVCA available at DVCA's website www.dvca.dk. These guidelines released in June 2008, with subsequent modifications, recommend extended coverage of a number of factors in annual reports, including corporate governance, financial risks, employee relations and strategy.

As a private equity portfolio company MLH therefore follow these recommendations.

Main activity and business model

Mobylife's vision is "Making Mobility Work"

Most people today are highly dependent on their mobile devices and have little tolerance when they don't work. This is because mobile devices have become an integrated and instrumental part of doing business, interacting socially and managing personal health.

Mobylife can make a significant contribution to people, businesses and society by realizing the vision.

Today we strive to realize the vision through repairing and replacing mobile devices when they break. This will continue to be the core of what we do since there are no signs that the amount of hardware and software related issues in mobile devices will decrease.

However how we do this is an important part in our ambition to deliver the highest possible customer experience. We will increasingly take responsibility for the full customer experience through our own or partner channels and we will add additional value-added services to be able to further contribute to realizing the vision.

In order to help minimize both the environmental footprint of the industry and the time people have to spend apart from their devices we will increasingly trade and refurbish used and broken devices. We will also introduce the concept of certified pre-owned devices to support swap, upgrade and mobile-as-a-service programs for our partners and their customers.

Mobylife's mission is "Authorized service at speed"

Mobylife delivers authorized, high quality diagnostics, repair, refurbishing, trading and logistics services at speed to satisfy the needs of mobile device users. This is why we exist.

We deliver authorized services only because we strongly believe this is in the best interest of our customers. Through the authorized services customers are ensured trusted, high quality services, original spare parts, and retention of warranties and protection of device value.

Strategy

Mobylife's strategy is "closer to customers"

The market is changing. Customers are expecting faster and better service. New customer offerings and services are being developed. The competition is increasing from both authorized an unauthorized suppliers.

As the leading supplier of authorized mobile device repair services in the Nordics, we want to sustain and further develop this position by meeting the customer's needs and continuously changing and improving what we do and how we operate.

Our strategy is to move services closer to customers in order to deliver best in class authorized after sales services and to develop our services to increase the value creation for our customers.

We will continue to focus on OEMs, telecom operators, retailers, insurers and large businesses as our primary customers. But we will also take more responsibility for the full consumer experience on behalf of our direct consumers. We will do so based on an integrated platform of customer channels and support, diagnostics, repair, refurb trading and logistics services.

Our core diagnosis and repair service will continue to be a key element in what we do. In addition we will also trade and refurbish used and broken devices and offer certified pre-owned devices to support swap, upgrade and mobile-as-a-service programs for our partners and their customers.

Mobylife's presence

Mobylife employs 322 people and operates in the Nordic countries.

Mobylife has operating activities across the Nordic countries with the subsidiaries Mobylife DK A/S, Mobylife AB, Mobylife AS and Mobylife Oy, which together have production sites covering four Nordic countries.

The Danish operational activities are handled in Mobylife DK A/S. Services are delivered from OEM and partner branded walk-in locations in Denmark and repair sites in Sweden.

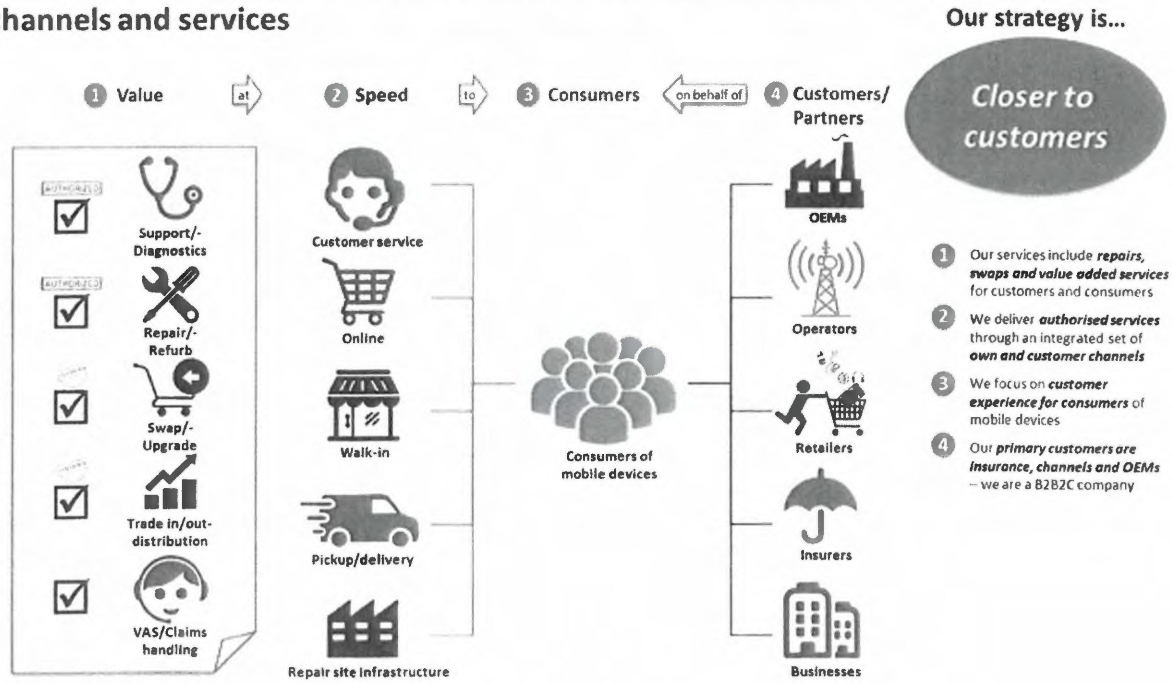
The Swedish operational activities are handled in Mobylife AB. Mobylife AB also handles repair site services for Mobylife DK A/S. Services are delivered from Mobylife branded walk-in locations and repair sites in Åkarp and Ljungby. During 2018 a process to consolidate the two repair sites in Ljungby was initiated.

The Norwegian operational activities are handled in Mobylife AS. Services are delivered from Mobylife and OEM branded walk-in locations and a repair site in Drammen.

The Finish operational activities are handled in Mobylife Oy. Services are delivered from Mobylife, OEM and partner branded walk-in locations and a repair site in Helsinki.

Mobylife's central repair sites and network with customer stores will continue to be a key element of our platform. However, we are also expanding our direct online and walk in channels where consumers can meet and interact with Mobylife directly. In these direct channels we will offer a best in class Mobylife customer experience as well as unique and customized add-ons on behalf of our key partners and customers.

Our strategy is to deliver a premium authorized customer experience to consumers, on behalf of our customers, and to do so we need to expand our channels and services



To realize our strategy and fulfil our mission and vision, each employee in the company needs to live our set of core values:

- The customer comes first
  - Our job is to satisfy our customers, and we do what we can to understand their needs and expectations and to deliver accordingly.
- Discipline & uncompromising quality
  - Every day we work with discipline and professionalism to ensure that we deliver high quality services at speed.
- Respect for one and all
  - Our work is based on respect and trust of colleagues, management and customers.
- Always moving forward
  - We will continue to develop and innovate what we do and how we operate in order to deliver what our customers need and to stay relevant in the market.
- Service with a smile
  - Our approach is unpretentious and welcoming and there is always room for a smile.

Risk assessment and reporting

The Board assesses the risk picture presented by management once a year in connection with the preparation of strategy plans and budget. The risk picture is then monitored on an ongoing basis hereafter. The board annually assesses the risk of fraud, and the Executive Management are continuously monitoring controls hereof.

The Board has in corporation with Executive Management established a reporting process that includes yearly budget, quarterly updated outlooks and internal reporting, monthly internal reporting and ongoing weekly outlook tracker, including deviation explanations. The internal reporting includes a daily update on key operational KPI's, weekly update on group volumes, and monthly reporting on P&L, balance sheet, cash flow and liquidity.

In addition to the above, the corporate governance process includes monthly Chairmanship meetings with Executive Management.

The Board has assessed the basis for implementing a Whistleblowing policy. Based upon the assessment the Board has chosen to not implement such policy.

Selected business risks are described below in the section "Specific risks".

Specific risks

The Board and Executive Management have ongoing dialogue about important issues in the company, including the risks that are considered to affect the company significantly. Below are given the significant risks identified by the ongoing discussion at board meetings of the company.

Market risk

The company delivers authorized repair and other services related to most standard mobile devices. There is a continuous introduction and marketing of new products and devices into the market, and it is important for the company that it continuously adapt operations to the new models. Also the business models around customer offerings are changing and developing, and the company needs to adapt to these also.

Risk related to customers

The company's main customers are mobile device manufacturers, telecom operators, retailers and insurance companies. The continued business development has brought new groups of customers to the company which intensifies the need for credit-assessments and follow-up especially towards smaller customers. Mobylife has good customer relationships with certain larger players in the market, which is underlined by the customer concentration where a number of large customers contribute to a larger share of Group revenue, please also refer to annual report note 4.

Purchase of spare parts

MLH only uses original spare parts from the respective product manufacturers. Delays in deliveries from these suppliers can generally not be offset by purchases from alternative suppliers. The company maintains a minimum stock of current spare parts to support daily operations.

Financial risk

The company has exposure to foreign exchange risk as a result of the operations in Denmark, Sweden, Norway and Finland as well as the trading of pre-owned devices and spare parts. Foreign exchange-, interest rate-, and credit risks arise from commercial relationships. The company has no major purchases outside the Nordic region and EUR-zone. Billing and purchasing is done predominantly in DKK, SEK, NOK or EUR. MLH has not used financial instruments to hedge against currency fluctuations.

Net interest-bearing debt as at 31 December 2018, amounts to DKK 21.8 million of which DKK 15.5 million is debt to the majority shareholder.

The financial risk related to this capital structure is considered low.

CSR related risks

The most significant CSR related risks applying to the MLH business model are related to the areas within social and employee relations as well as anti-bribery.

The MLH business model is based on working with OEM's and authorised suppliers within the mobile device market. This means that MLH has a very low level of choice of suppliers and very low influence on certain parts of the business conduct of suppliers. Based here on the risk related to human rights is limited for MLH and no human rights policy has been adopted.

The overall environmental and climate footprint of MLH is limited to the use of energy and proper handling of waste from electronic products. Based here on the risks related to climate and environment are limited for MLH.

MLH is ISO 14001 certified and has prepared a number of policies regarding topics such as social responsibility, environment and code of conduct principles.

Development in activities and financial position

MLH was established 6 June 2013, and this is the Group's sixth annual report. The subsidiaries which MLH is comprised of have been operating for a number of years.

In Q1 Mobylife completed a buy-back of all outstanding bond notes at a price of 12 per cent of nominal value and accrued interest.

The funding of the redemption of the notes and additional financing or funding up to DKK 20 million for the operations of the company in 2018 was provided by Catacap I K/S through the company's parent company, CC Orange Invest ApS. During 2018 Mobylife has drawn DKK 15 million of this funding. The total contribution to MLH from CC Orange Invest ApS in 2018 was DKK 32 million.

As a result of the financial restructuring interest bearing debt in MLH has decreased from a level of DKK 157m at 31 December 2017 to DKK 21.8 million at 31 December 2018 of which DKK 15.5 million is debt to the majority shareholder. So "external" interest bearing debt at 31 December 2018 amounted to DKK 6.2 million.

Another result of the financial restructuring is that the future interest burden of MLH has been significantly reduced due to the buy-back of bonds.

During 2018 the operational restructuring continued with the planning and initiation of the consolidation of the company's Swedish repair sites. With the consolidation all customers and services previously handled in the Åkarp repair site will be moved to Ljungby repair site and the Åkarp repair site will be closed. The implementation is ongoing and

expected to be completed during 2019.
Because of the consolidation the property in Åkarp has been put up for sale and is expected divested during 2019.

MLH has further strengthened our channel approach with the opening of Samsung Service Points in Copenhagen and Oslo in April and May 2018.

Online capabilities were also strengthened in 2018 with the roll out of the new website to all Nordic countries.

Revenue in 2018 of DKK 440 million was DKK 144 million lower than in 2017. The development related to a decline in distribution revenue as well as repair revenue. Distribution revenue has decreased due to a lower volume of spare parts available for distribution. Repair revenue has decreased due to a general decline in repair volume in the Nordic market for authorised repairs.

EBITDA before special items for 2018 ended at a loss of DKK 10.7 million whereas EBIT ended at a loss of DKK 89.8 million impacted mainly by amortisation og goodwill and software by DKK 58.1m.

Profit for 2018 was positive by DKK 46.0 million.

The 2018 profit was adversely impacted by several significant items, including:

- Costs related to the bond buy back process of DKK 1.9 million.
- Costs related to 2017 by DKK 2.5 million.
- Provision for restructuring costs and revaluation of certain assets in Sweden by DKK 3.8 million.
- Costs related to the site consolidation in Sweden of DKK 1.5 million.
- Costs related to lower productivity in Sweden before and during the site consolidation process.
- Higher than normal salary costs in Norway because of high sickness rates.
- Certain other one-off costs included in special items.

FINANCIAL REVIEW

Income statement

The volume development in 2018 has been impacted by general market development. The volume has been below the expected level throughout 2018.

The authorised Nordic repair market is under continued competition from unauthorised service providers as well as from swap and upgrade-based solutions where device repairs are handled outside the Nordic countries. In addition, one of the larger OEM's has started to handle certain repairs in Poland. These has been the main drivers of the volume drop.

Revenue from the distribution business has been lower during 2018 than 2017 due to a lower level of supply of spare parts for distribution.

Revenue

The revenue has been negatively impacted by the volume decline and positively impacted by a changed repair mix with higher prices due to more expensive units, increased usage of spare parts and increased complexity of repairs. The price increase vs. 2017 is therefore mostly pass-through revenue with no/low profit impact. Total repair revenue was DKK 92.0 million lower in 2018 than in 2017.

The decline in revenue from spare parts distribution is DKK 50 million compared to 2017.

Gross profit

The gross profit for the 2018 was DKK 56.4 million lower than in 2017. Gross profit is mostly impacted by the lower revenue but also by a decline in spare part distribution gross margins and a general change in the repair mix.

The spare parts distribution margin has decreased compared to 2017 due to a higher price competition in the market.

EBITDA

EBITDA showed a decrease of DKK 34m compared to 2017. EBITDA was primarily impacted by the impact from the lower gross profit.

2018 was a year of restructuring including bond debt buy-back, consolidation in Sweden with associated costs, general adjustment to the operations, lower level of reversal of credit notes and a resultant write down of intangible assets. The result for 2018, therefore, is not satisfactory Profit after Tax.

The profit after tax ended at DKK 46.0 million in 2018.

Profit after tax is negatively impacted by write down of goodwill of DKK 50.0 million and write down of software assets of DKK 8.1 million.

Profit after tax was also positively impacted by DKK 152.9 million related to the buy-back of bonds.

Balance sheet

Consolidated total assets amounted to DKK 267.3 million as at 31 December 2018, which was a decrease of DKK 79.5 million from 31 December 2017. The lower level of total assets was driven by a combination of items such as the write down of goodwill and software and a lower level of receivables.

The valuation of the goodwill and the software assets has led to a write down of these assets. Please refer to note 6 for further information regarding the impairment test.

Outlook 2019

Management expects EBITDA for 2019 to be moderate positive and above the 2018 EBITDA result before special items.

It is expected that the 2019 EBITDA level will be positively impacted from the site consolidation in Sweden and other actions taken to improve earnings.

In the expectations for 2019 it is assumed that there are no changes in the regulation of the repair market, including no introduction of new taxes or duties. Such changes could lead to a change in market dynamics. In the expectations for 2019 it is furthermore assumed that there are no changes in the law about warranty and guarantee obligations towards end-users. Such a change could lead to a change in the demand for authorized services and repairs.

Changes in exchange rates could impact the results positively or negatively. The outlook for 2019 is based upon the following exchange rates for 2019.

SEK/DKK = 0.72
NOK/DKK = 0.78
EUR/DKK = 7.45

Liquidity and capital resources

The company is exposed to fluctuations in currency.

The company's plans for 2019 are based on steady currency rates, however fluctuations in these areas will be monitored continuously.

The Executive Management together with the Board of Directors regularly assess whether MLH has an adequate capital structure, by assessing the size of the company's interest-bearing debt related to the activities and earnings, and liquidity in general. The capital structure and readiness is considered to be adequate. A reference is also made to note 15.

Ongoing litigation

There are no significant ongoing litigations in the Group and Management has reserved a minor amount to any potential losses from any such litigations in the annual report.

Statutory statement on Corporate governance, "Årsregnskabsloven §107b"

MLH is following the guidelines on corporate governance issued by DVCA.

Corporate Social Responsibility

Working with CSR is an integral part of the way of doing business in MLH, with a continuous focus to produce results. Working with social responsibility is also an essential part of the development of the company's brands and maintaining good relationships with its key stakeholders.

The Board of Directors of MLH has adopted a policy of social responsibility, covering topics related to Human Rights, Environment and climate, Health and Safety, and Gender diversity.

According to the policy adopted MLH is committed to:

- Complying with international human rights in all its activities. We do this by continually:
    - Developing and enhancing our capacity and ability to meet challenges pro-actively.
    - Continually identifying areas where our actions and unique skills can positively contribute.
    - Setting goals and action plans for the years ahead.
    - Maintaining an open dialogue with important stakeholders.
    - The right to a safe and healthy working environment is one aspect of Mobylife´s policies and initiatives
- Within the field of social responsibility. It is Mobylife´s overall objective to:
    - Maintain a healthy and safe working environment with no industrial accidents for our own employees and those partners who work on our facilities and in our offices.
- Mobylife's attitude is that everyone should feel responsible for their own and others working environment and that, through this, everyone thrives and feels secure in their workplace.
- Everyone in Mobylife therefore has a commitment, through proactive conduct, to prevent physical and psychological problems in the workplace.

The integrated approach to CSR is an essential part of protecting the company's position as customers and consumers must be confident that MLH services are performed in a safe, orderly and high-quality way.

Protecting the environment and securing enforcement of human rights also helps to ensure good working relationships with customers and suppliers, increase production efficiency and reduce non-financial risks and strengthen the company's identity and culture.

Environment and climate

Mobylife is actively pursuing a business strategy which contributes positively to the environment. Partly through offering fast and cost-effective authorised repair services for consumers and partly through buying, refurbishing and selling pre-owned devices. Both areas help to maximize device lifetime, value of resources and increase sustainability.

All production sites at MLH are focused on continually reducing the environmental impact of the company's production and must always meet regulatory requirements and applicable laws. Most of the replaced parts on mobile phones are thus returned for recycling.

It is our priority to ensure that our business activities have the least harmful effect on the environment and that our customers and suppliers understand and support this philosophy.

In order to ensure that MLH is continuously working towards reducing the environmental impact of the company's production MLH has adopted a number of environmental goals, including a number of goals and working points related to recycling and energy consumption such as:

- Ensuring that all defective mobile devices are recycled in an environmentally correct manner by taking advantage of external partners.
- Ensuring that our partners within waste handling operate in a responsible manner.
- Assuring that air conditioning/ventilation is only turned on for working hours, by the use of the timer function.
- Preferring environment friendly cars when providing company cars.
- Keeping up to date on environmentally friendly alternatives to replace light bulbs and other energy-consuming products.
- Focusing on our power consumption and initiatives to reduce it including bringing "standby power" to the lowest possible level.
- Ensuring that we keep batteries in a safe manner, so that if they ignite, the damage and environmental emissions will be minimal.
- Continuously evaluating whether we can optimize our business in terms of environmental impact.

The policy was adopted in 2014. The focus has been expanded to also include buy back, for recycling and reuse of smartphones.

In order to ensure continuous improvement Executive Management has delegated the task of following up and measuring the results and improvements to the QHSE manager. The QHSE manager is also responsible for ensuring compliance with the ISO 14001 certification.

Among the results for 2018 Mobylife ISO 14001 certification was expanded to all repair sites in Sweden, Norway and Finland.

In 2018 we continued working closely with certified suppliers in order to secure that all electronic equipment is properly reused and recycled in a responsible, compliant way.

Social and employee relations including diversity

MLH does not tolerate discrimination of its employees due to gender, race or religion. Child and forced labour is not allowed, and MLH endeavours customers and suppliers to comply with this policy.

MLH is operating within highly regulated labour markets and employees of MLH have the right freely to organise in trade unions and to strike in accordance with the laws of the countries where MLH operates. In 2018 we have welcomed more close collaboration with unions and will continue this work into 2019.

MLH wants to develop a culture of cooperation involving diverse employee groups with different perspectives and areas of expertise. This will ensure a varied and inspiring approach to the challenges MLH encounter daily in the business.

MLH focuses on creating equal opportunities for development and influence for employees and management – irrespective of gender, race or religion. As group policy, MLH aims to select the most qualified candidates for the teams with a view to creating diversity in MLH through a qualified recruitment process, covering all levels of the organisation. During 2018 all recruitments have been evaluated accordingly to this policy.

Traditionally, MLH has had a disproportionate number of men in the technical departments and in management. As MLH believes that a culture of cooperation with diverse groups of employees will generate greater success, MLH will continue actively to encourage gender diversity in the Group.

It is the target for MLH to have at least one female member of the Board of Directors by 2020. As of 31 December 2018 there was no female member. The Board of Directors will be searching for new members in combination with retirement of an existing member. During 2018 no board member has retired from the position and the annual general meeting did not find reason for any changes of the Board of Directors.

No individual company in the Group are covered by "Årsregnskabsloven" section 99B. Consequently, there is no policy regarding gender in the upper levels of Management.

MLH strives to create a safe and healthy working environment, continuously improve work processes internally.

MLH is closely monitoring sickness rates. Sickness rates are monitored with regards to long-term sickness rates and more short-term sickness rates. The sickness rates have been at a satisfactory level in Denmark, Sweden and Finland during the entire 2018. During 2018 the sickness rate level in Norway has been challenging high and management has spent efforts to improve this during 2018 and will continue this work in 2019 as well.

Anti-corruption and bribery

Mobylife has adopted Code of Conduct Principles (CCP) which are part of the basis for employment contracts.

The purpose of Mobylife's Code of Conduct principles is to contribute to the compliance of our fundamental values in practice. Working with and at Mobylife entails basing our work on honesty and ethical conduct in accordance with the applicable laws of the countries in which we operate. Some of the most significant elements included in the CCP are:

- We do not wish to be associated with employees, customers or suppliers who to our knowledge are involved in illegal or unethical conduct, conduct themselves in a way that conflicts with our fundamental values or who in any other way may damage the reputation of Mobylife.
- It is forbidden for employees to attempt and accept bribery or in any other way offer or give unlawful payments or other services with a view to achieving or maintaining an advantage of any kind.
- It is forbidden for employee to participate in any form of illegal activity in relation to public authorities, customers, suppliers, banks, competitors or others.
- The business practices of MLH should always be in full compliance with competition law wherever it operates.

Violating this Code of Conduct will be considered a breach of conditions of any contract with Mobylife, and further employment or cooperation will consequently come under review.

During 2018 MLH did not discover any serious violations to the Code of Conduct related to anti-corruption and bribery.

Employees

At the end of 2018 the total number of employees in MLH was 302, represented by 10 in Denmark, 143 in Sweden, 94 in Norway, and 75 in Finland.

At the end of 2017 the total number of employees in MLH was 323, of which 8 in Denmark, 147 in Sweden, 89 in Norway, and 79 in Finland.

Duties of the Board of Directors, composition and organization

MLH strives to adhere to the principles of Corporate Governance e.g. by securing an ongoing dialogue with its owners and other stakeholders, reporting results on a quarterly basis, and securing an ongoing strategic development process in order to create value for its stakeholders.

The Board of Directors (Board) of the parent company MLH and its subsidiaries ensure that the Executive Management complies with the objectives, strategies and procedures outlined by the Board. Information from the Executive Management of the various companies is provided systematically at meetings and through written and oral, ongoing reporting. This reporting includes market development, the company's development and profitability and financial position.

The Board meets according to a set schedule at least 5 times a year. An annual strategy meeting is held where the Group's vision, goals and strategy is reviewed and approved.

The Board of MLH has decided to take on the audit committee tasks jointly. As a result of this, the chairman of the Board is also the chairman of the audit committee. The Board's decision to take on the audit committee tasks jointly should be viewed in light of the Company's size, transparency of reporting and clear procedures, due to which the Company's Board finds no need for a separate audit committee.

There are no formal board committees, however the Chairmanship consisting of the Chairman and the Deputy Chairman are in close and continuous dialogue with the company's Executive Management.

Stakeholders

MLH continuously seeks to develop and maintain good relations with its stakeholders, because such relations are considered to have significant and positive impact on the Group's development.

The main stakeholders are employees, mobile communication device manufacturers, telecom operators, insurance companies, retail chains and other distribution partners as well as financial institutions. It is the Group's policy to seek a written agreement basis with all close partners.

Critical accounting estimates and assumptions

See note 2.

Board composition

Chairman, Mads Middelboe, male, 58 years old, independent board member, appointed by CataCap. Mr. Middelboe was initially elected chairman of the board of directors in 2013 and is up for election once a year at the annual general meeting.

Mr. Middelboe is a professional board member, management consultant and former CEO of TDC Mobile with special skills in the telecom industry and group management.

Mr. Middelboe is currently serving as chairman of the board of directors of Mobylife Holding A/S, Mobylife DK A/S, Mobylife AS, Mobylife AB, Mobylife Oy, SAB Holding A/S, Öxneholm A/S, MIE5 Datterholding 5 ApS and Emballagegruppen A/S. Further Mr. Middelboe is a member of the Board of Directors of Løgstrup-Steel A/S and J.O. Informatik ApS.

Deputy Chairman Vilhelm Hahn-Petersen, male, 58 years old, non-independent board member. Mr. Hahn-Petersen was initially elected a member of the Board of Directors in 2013 and is up for election once a year at the annual general meeting.

Mr. Hahn-Petersen is currently a partner at CataCap Management A/S.

Mr. Hahn-Petersen serves as chairman of the Board of Directors of: Dime af 5. December 2018 A/S, CC Green Wall Invest ApS and CC Lingo Invest ApS and a member of the Board of Directors of: Mobylife Holding A/S, Mobylife DK A/S, Mobylife AS, Mobylife AB, Mobylife Oy, G.S.V. Holding A/S and G.S.V. Materieludlejning A/S, Lyngsoe Systems Holding A/S and Lyngsoe Systems A/S, Skybrands Holding A/S, CC Oscar Holding I A/S, CC Oscar Invest ApS, CASA A/S, CC Explorer Invest ApS, CC Tool Invest ApS, Airhelp Inc., TPA Holding I A/S, TPA Holding II A/S, TP Aerospace Holding A/S, CataCap Management A/S, CC Orange Invest ApS, Catacap General Partner II ApS, Rekom Group A/S, CC Fly Invest ApS, CC Fly Holding I ApS, CC Fly Holding II ApS and serves as Executive Management of: Mobylife DM ApS, MyCo ApS, CataCap DM ApS, CataCap OP ApS, Catacap DM II ApS, CC II Management Invest 2017 GP ApS, Catacap General Partner I ApS, CASA ManCo ApS, CC Orange Invest ApS, CC Track Invest ApS, Rekom ManCo ApS, TPA Green ManCo ApS and LW ManCo ApS.

Board-member Jacob Thygesen, male, 53 years old, non-independent board member. Mr. Thygesen was initially elected a member of the Board of Directors in 2013 and is up for election once a year at the annual general meeting.

Mr. Thygesen is currently also an operating partner at CataCap Management ApS, chairman of the board of directors of Alert Systems ApS and Soundboks ApS and a member of the boards of directors of:

Mobylife Holding A/S, Mobylife DK A/S, Mobylife AS, Mobylife AB and Mobylife Oy. CataCap Management A/S, Focus Flex Leasing A/S, Nanocore ApS, SAB Holding A/S, Technoinvest A/S, and Tldk Invest ApS.

Board-member Peter Ryttergaard, male, 48 years old, non-independent board member, Partner in CataCap. Mr. Ryttergaard was initially elected a member of the Board of Directors in 2013 and is up for election once a year at the annual general meeting.

Mr. Ryttergaard is currently partner at CataCap Management A/S.

Mr. Ryttergaard serves as member of the Board of Directors of: Mobylife Holding A/S, Mobylife DK A/S, Mobylife AS, Mobylife AB, Mobylife Oy, G.S.V. Holding A/S and G.S.V. Materieludlejning A/S, HB-Care Holding A/S, HB-Care A/S, HB-Care Leasing ApS, CC Oscar Holding I A/S, CASA A/S, CataCap Management A/S, Catacap General Partner II ApS, CC Explorer Invest ApS, CC Tool Invest ApS, CC Oscar Invest ApS, CC Orange Invest ApS, CC Track Invest ApS, Skybrands Holding ApS, Ryttergaard Invest A/S, CC Sky Invest ApS, Kjærulf Pedersen A/S, CC Green Wall Invest ApS, TPA Holding I A/S, TPA Holding II A/S, TP Aerospace Holding A/S, CC Lingo Invest ApS and serves as Executive Management of: Buldus Ejendomme ApS, Investeringsselskabet af 27/12 1985 ApS, CataCap OP ApS, CataCap DM ApS, CataCap DM II ApS, CC II Management Invest 2017 GP ApS, Catacap General Partner I ApS, Ryttergaard Invest A/S, CC Green Wall Invest ApS, CC Tool Invest ApS, CC Explorer Invest ApS, LW ManCo Aps, Mobylife DM ApS, TPA Green ManCo ApS, CC Fly Invest ApS, Rekom Manco ApS and CASA ManCo ApS.

Executive management

CEO Jakob Kraglund, male 52 years old, CEO hired by the Board of Directors in 2016.

Mr. Kraglund serves as member of the Board of Directors of: Tia Technology A/S and Santa Fe Group A/S.

Events after the reporting period

No event that could significantly affect the financial statements as of 31 December 2018 have occurred after the reporting period.

Consolidated key figures

	Group				
	2018	2017	2016	2015	2014
	DKKk	DKKk	DKKk	DKKk	DKKk
	IFRS	IFRS	IFRS	IFRS	IFRS
Income Statement					
Net revenue	440.167	584.298	590.959	615.077	408.363
EBITDA before special items	-10.713	23.692	18.945	33.917	23.857
EBITDA after special items	-23.007	15.703	7.200	27.555	9.464
Earnings before interest and tax (EBIT)	-89.834	-93.231	-1.919	20.895	5.478
EBIT margin %	*-20,4%*	*-16,0%*	*-0,3%*	*3,4%*	*1,3%*
Other financials, net	136.232	10.448	1.660	10.068	16.180
Profit before tax	46.398	-82.783	-259	30.963	21.658
Profit for the year	45.982	-85.233	2.139	14.407	15.666
Balance Sheet					
Non-current assets	221.606	279.671	378.022	370.633	372.605
Investments in non-current assets	7.657	14.227	16.207	21.530	22.646
Total Assets	269.150	346.847	465.589	503.590	493.317
Equity	173.977	109.484	199.141	165.889	112.912
Net interest-bearing debt	23.622	155.059	125.892	143.944	204.845
Net working capital	-25.206	-16.667	-8.017	-1.899	8.958
Cash Flow Statement					
Cash flow from operating activities	-14.984	-69	8.194	32.476	11.127
Cash flow from investing activities	-7.657	-14.227	-16.207	-21.530	-276.654
Cash flow from financing activities	18.886	-19	27.241	11.195	345.895
Financial ratios					
Equity ratio	65%	6%	43%	33%	23%
Average number of employees	314	348	426	486	358
Number of employees at year-end	302	323	390	418	475

Income Statements for 1 January - 31 December

	Notes	Group 2018	Group 2017	Parent 2018	Parent 2017
		DKKk	DKKk	DKKk	DKKk
Revenue	4	**440.167**	**584.298**	**28.756**	**24.930**
Production costs		-294.289	-381.521	-	-
Other external costs		-38.089	-41.074	-17.131	-14.957
Gross profit/(loss)		**107.789**	**161.703**	**11.626**	**9.973**
Personnel costs	22	-118.501	-138.011	-3.415	-3.785
Other operating expenses		-	-	-	-35.460
Other income	10	-	-	5.536	-
Depreciation, write down and amortisation of tangible and intangible assets	6/7	-66.827	-108.934	-12.989	-24.341
Write down investments in subsidiaries	6/10	-	-	-100.000	-31.000
Operating profit/(loss) before special item		**-77.540**	**-85.242**	**-99.242**	**-84.613**
Special items	5	-12.294	-7.989	-3.452	-2.782
Operating profit/(loss)		**-89.834**	**-93.231**	**-102.694**	**-87.395**
Dividend from subsidiaries		-	-	9.635	8.077
Financial income	8	147.868	29.185	148.751	27.696
Financial costs	8	-11.636	-18.737	-10.414	-17.969
Profit before income tax		**46.398**	**-82.783**	**45.278**	**-69.591**
Income tax expense	9	-416	-2.450	172	5.815
Profit/(loss) for the year		**45.982**	**-85.233**	**45.450**	**-63.776**

Statements of Other Comprehensive Income for 1 January - 31 December

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
Profit for the year	**45.982**	**-85.233**	**45.450**	**-63.776**
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss				
Exchange rate adjustment relating to foreign entities	1.411	-4.424	-	-
Other comprehensive income for the year, net of tax	**1.411**	**-4.424**	-	-
Total comprehensive income for the year	**47.393**	**-89.657**	**45.450**	**-63.776**

Balance sheet at 31 December

	Notes	Group 2018	Group 2017	Parent 2018	Parent 2017
		DKKk	DKKk		DKKk
Assets					
Non-current assets					
Goodwill	6	194.239	243.174	-	-
Software under construction	6	-	3.433	-	3.433
Software	6	16.765	21.892	13.755	17.450
Land and buildings	7	2.843	3.030	-	-
Equipment, furnitures fixtures	7	2.640	3.284	490	632
Leasehold improvements	7	2.107	2.051	-	-
Other receivables		1.209	482	-	-
Equity interests in subsidiaries	10	-	-	186.645	266.312
Receivables from group enterprises		-	-	-	22.000
Deferred tax assets	9	1.804	2.325	-	-
		221.606	**279.671**	**200.890**	**309.827**
Current assets					
Inventories	11	9.904	10.311	-	-
Trade receivables	12/13	16.872	32.538	-	-
Receivables from group enterprises		-	-	-	2.499
Assets held for sale		185	-	-	-
Tax receivables		609	2.621	172	-
Other receivables	13	17.618	18.723	1.357	2.546
Prepayments		510	1.297	143	620
Cash and cash equivalents		1.846	1.685	-	-
		47.544	**67.176**	**1.672**	**5.665**
Total assets		**269.150**	**346.847**	**202.562**	**315.492**

Balance sheet at 31 December

	Notes	Group 2018	Group 2017	Parent 2018	Parent 2017
		DKKk	DKKk	DKKk	DKKk
Equity and liabilities					
Share capital	18	20.921	20.921	20.921	20.921
Other reserves		-	-	13.755	21.193
Retained earnings		153.056	88.563	118.793	48.805
		173.977	**109.484**	**153.469**	**90.919**
Non-current liabilities					
Bonds	13/14/16	-	146.142	-	146.142
Intercompany debt		15.538	-	15.538	9.674
Interest bonds		-	8.355	-	8.355
Finance lease debt	16/21	206	807	-	492
		15.744	**155.304**	**15.538**	**164.663**
Current liabilities					
Bonds	13/16	-	1.206	-	1.206
Borrowings, credit institutions	16	6.836	-	3.555	1.491
Trade payables	13	38.892	42.818	4.994	11.540
Intercompany debt		-	-	24.424	45.296
Current income tax liabilities	9	-	837	-	-
Finance lease debt	16/21	1.043	234	492	144
Other payables	13	28.870	36.731	90	0
Provisions	17	3.789	233	-	233
		79.430	**82.059**	**33.555**	**59.910**
Total liabilities		**95.173**	**237.363**	**49.093**	**224.573**
Total equity and liabilities		**269.150**	**346.847**	**202.562**	**315.492**

Statements of Changes in Equity 1 January - 31 December - Group

Group

	Notes	Share capital	Share premium	Retained earnings	Total equity
		DKKk	DKKk	DKKk	DKKk
Balance as at 1 January 2017		20.921	-	178.220	187.035
Profit for the year		-	-	-85.233	-85.233
Exchange rate adjustments relating to foreign entities		-	-	-4.424	-8.848
Balance as at 31 December 2017		**20.921**	-	**88.563**	**92.954**
Balance as at 1 January 2018		20.921	-	88.563	92.954
Profit for the year		-	-	45.982	45.982
Group contributions		-	-	17.100	17.100
Exchange rate adjustments relating to foreign entities		-	-	1.411	2.822
Balance as at 31 December 2018		**20.921**	-	**153.056**	**158.858**

Statements of Changes Equity 1 January - 31 December - Parent

Parent

	Notes	Share capital	Share premium	R&D cost reserves	Retained earnings	Total equity
		DKKk	DKKk	DKKk	DKKk	DKKk
Balance as at 1 January 2017		20.921	-	11.414	122.360	154.695
Profit for the year		-	-	-	-63.776	-63.776
Other comprehensive income for the year		-	-	-	-	-
Total comprehensive income for the year		20.921	-	11.414	58.584	90.919
R&D costs reserves 2017, net		-	-	9.779	-9.779	-
Balance as at 31 December 2017		**20.921**	-	**21.193**	**48.805**	**90.919**
Balance as at 1 January 2018		20.921	-	21.193	48.805	90.919
Profit for the year		-	-	-	45.450	45.450
Group contribution		-	-	-	17.100	17.100
Total comprehensive income for the year		20.921	-	21.193	111.355	153.469
R&D costs reserves 2018, net		-	-	-7.438	7.438	-
Balance as at 31 December 2018		**20.921**	-	**13.755**	**118.793**	**153.470**

Statements of Cash Flows for 1 January - 31 December - Group and Parent

	Notes	Group 2018	Group 2017	Parent 2018	Parent 2017
		DKKk	DKKk	DKKk	DKKk
Profit/(loss) for the year		45.982	-85.233	45.450	-63.776
Adjustments for non-cash transactions	23	-69.505	98.004	-125.520	39.799
Change in working capital	24	8.539	-12.840	-11.068	37.941
Cash flows from operating activities before financial items and tax		**-14.984**	**-69**	**-91.138**	**13.964**
Interest paid		-4.143	-3.288	-3.392	-5.444
Interest received		103	1.000	-	3.556
Income tax paid		1.122	-5.665	-	-
Cash flows from operating activities		**-17.902**	**-8.022**	**-94.530**	**12.076**
Acquisition of subsidiary, net of cash acquired		-	-	-20.333	-26.046
Purchases of property, plant and equipment		-1.938	-1.778	-	-726
Purchases of other intagible assets		-5.719	-12.449	-5.719	-10.459
Raising of finansial fixed assets		-	-	-	-
Cash flows from investing activities		**-7.657**	**-14.227**	**-26.052**	**-37.231**
Proceeds from borrowings	25	15.536	-	15.536	-
Proceeds from leasing debt		224	-19	-144	636
Repayment of Bonds / borrowings		-13.974	-	-13.974	-
Group contribution		17.100	-	17.100	-
Cash flows from financing activities		**18.886**	**-19**	**18.518**	**636**
Net (decrease)/increase in cash and cash equivalents		**-6.673**	**-22.268**	**-102.064**	**-24.519**
Cash and equivalents at beginning of year		1.685	23.953	-1.491	23.028
Cash and cash equivalents at end of year		**-4.988**	**1.685**	**-103.555**	**-1.491**

Index of Notes to the Financial Statements

Notes to the Financial Statements

1. Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and with the International Financial Reporting Standards as endorsed by EU and additional Danish disclosure requirements.

Implementation of new standards, amendments and interpretations

The Company has implemented the following amendments or new standards (IFRS) for financial year 2018:

IFRS 15

Revenue from contracts with customers. A new standard on revenue recognition that replaces IAS 11 and IAS 18 among others. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard is effective for annual periods beginning on or after 1 January 2018. The Group has assessed that the impact of IFRS 15 is immaterial.

IFRS 9

The standard introduces an expected loss model for impairment losses on loans and receivables. As an overriding main rule, this new model will imply larger impairment losses than those incurred under IAS 39. The number of classification categories for financial assets is reduced to three: amortised cost, fair value through profit or loss and fair value through other comprehensive income. Fair value changes to financial liabilities which are attributable to the fair value and which arise from changes in own credit risks must be recognised in other comprehensive income. Mobylife has assessed that the standard is immaterial.

New standard, amendments and interpretations not yet adopted

The following new standards, amendments and interpretations of relevance to Mobylife Holding A/S have been adopted by the IASB and adopted by the EU. The standards are not yet effective and will therefore not be implemented in the Annual Reports until they take effect.

IFRS 16

New standard on the accounting treatment of leases. Going forward, the lessee is required to recognise all leases as a lease liability and a lease asset in the balance sheet with two exceptions: short-term leases (less than 12 months) and leases relating to low-value assets. It must furthermore be considered whether the agreement is a lease or a service arrangement. The current rules remain largely unchanged for the lessor. Consequently, leases are still to be classified as finance leases and operating leases. The standard will be effective for financial years beginning on or after 1 January 2019.

Mobylife Holding A/S has analysed the effect of IFRS 16. It is Mobylife Holding A/S's expectation that the implementation of IFRS 16 will result in an increase in profit before financial income and expenses and tax (EBIT) of approximately DKK 0.5 million and an increase in fixed assets and liabilities corresponding to approximately DKK 13 million. Mobylife Holding A/S expects to implement the standard with modified retrospective effect, after which the effect of the change will be recognised in equity beginning of year at 1 January 2019 without restatement of comparative figures.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

Basis for Consolidation

Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

On consolidation, elimination is made of intra-group income and costs, shareholdings, intra-group balances and dividend and realized and unrealized profits or losses on transactions between the consolidated companies.

The carrying amount of equity-accounted investments is tested for impairment if indications of impairment exists.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The financial statements are presented in Danish Kroner (DKK), which is the Group's presentation currency. The financial statements have been rounded to the nearest thousand.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses are presented in the income statement within "finance income or costs".

Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
b) Income and expenses for each income statement are translated at average exchange rates; and
c) All resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

Balance sheet

Business combinations

The acquisition method of accounting is used to account for all business combinations. The considerationtransferred for the acquisition of a subsidiary comprises the:· Fair values of the assets transferred· Liabilities incurred to the former owners of the acquired business· Equity interests issued by the group· Fair value of any asset or liability resulting from a contingent consideration arrangement, and· Fair value of any pre-existing equity interest in the subsidiary.

Notes to the Financial Statements

1. **Summary of significant accounting policies (continued)**

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the

Acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the (1) consideration transferred, (2) amount of any non-controlling interest in the acquired entity and (3) acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Land and Buildings, Leasehold improvements and equipment, furniture and fixtures

Fixed assets are mainly comprised of land and buildings and plant and machinery, which are measured at cost less accumulated depreciation, and any impairment losses.

The cost is comprised of the acquisition price and direct costs related to the acquisition until the asset is ready for use.

Depreciation, which is stated at cost net of any residual value, is calculated on a straight-line basis over the expected useful lives of the assets, which are as follows:

Land and Buildings	10 - 50 years
Leasehold improvements	5 years or the lease term if shorter
Equipment, furniture and fixtures	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised in the income statement when the impairment is identified.

Notes to the Financial Statements

1. **Summary of significant accounting policies (continued)**

Intangible assets
Goodwill
The carrying amount of goodwill relates to strategic acquisitions.

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGU's, or groups of CGU's, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The Carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Impairment of non-financial assets
Intangible assets that have an indefinite useful life (Goodwill) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairment of non-financial assets (other than goodwill) is reviewed for possible reversal at each reporting date.

Software and software under construction
Development projects are measured at cost less accumulated depreciation, and any impairment losses.

The cost is comprised of the acquisition price and direct costs related to the acquisition until the asset is ready for use.

Depreciation, which is stated at cost net of any residual value, is calculated on a straight-line basis over the expected useful lives of the assets, which are as follows:

Software projects	7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. An impairment loss is recognised in the income statement when the impairment is identified.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

Equity interests in subsidiaries in the parent company
In the separate financial statements of the parent company Mobylife Holding A/S, equity interests in subsidiaries are recognized and measured at cost. Equity interests in foreign currencies are translated to the reporting currency by use of historical exchange rates prevailing at the time of investment. The cost is written down to the recoverable amount if this is lower.

Distributions from the investment are recognized as income when declared. An impairment test is performed if a distribution exceeds the current period's comprehensive income or the subsidiary exceeds the carrying amount of the net assets of the subsidiary in the consolidated financial statements.

Financial assets
Classification
The Group classifies its financial assets in the following categories; Loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period.

These are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the balance sheet.

Receivables
Receivables are initially recognised at fair value adjusted for any transaction costs. Subsequently, receivables are measured at amortised cost, as the receivables are assets held for collection of cash flows, where the cash flows represents solely payments of principal and interest. Amortised cost usually corresponds to the nominal value. Write-down is made to net realisable value to provide for expected losses.

For trade receivables the group applies the simplified approach permitted by IFRS 9, which requiers expected lifetime losses to be recognised from initial recognition of the receivables.

Prepayments
Prepayments include expenditures related to a future financial year. Prepayments are measured at nominal value.

Cash and cash equivalents
In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts.

In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and raw materials and consumables comprises purchase price and other direct costs. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deductions, net of tax, from the proceeds.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently at amortised cost. The carrying amount of trade payables corresponds essentially to fair value.

Borrowings
Borrowings including bonds are as of 31. December 2017 recognised initially at fair value, net of transaction costs incurred. They are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Fees paid to establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Provisions
Provisions comprise legal claims, warranties, cost to site consolidation including re-organisations cost. Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.
Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.
Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Current and deferred income tax
The company is jointly taxed with Danish Group enterprises. The Danish income tax payable is allocated between the jointly taxed Danish companies based on their proportion of taxable income (full absorption including reimbursement of tax deficits). The jointly taxed companies are taxed under the Danish Tax Payment Scheme. Additions, deductions and allowances are recognised under financial income or financial costs.

Income tax, which consists of current tax and the adjustment of deferred taxes for the year, is recognised in the income statement to the extent that the tax is attributable to the net result for the year. Tax attributable to entries directly related to shareholders' equity is recognised in other comprehensive income.

Current tax liabilities include taxes payable based on the expected taxable income for the year and any adjustments to prior year's tax expense as recorded in the income statement. Any current tax liabilities are recognised in "Trade and other payables" in the balance sheet.

Any prepaid taxes are recognised in "Trade and other receivables" in the balance sheet.

Deferred tax is calculated in accordance with the tax regulations and current tax rates in the individual countries. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

Deferred tax assets resulting in temporary differences, including the tax value of losses to be carried forward, are recognised only to the extent that it is probable that future taxable profit will be available against which the differences can be utilized.

Mobylife Holding A/S recognizes deferred tax assets, including the tax base of tax loss carry-forwards, if management assesses that these tax assets can be offset against positive taxable income within a foreseeable future. This judgement is made on an ongoing basis and is based on budgets and business plans for the coming years, including planned commercial initiatives.

Profit and loss

Revenue recognition

Revenue from sale of services are recognised at the stage of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Group. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured as the fair value of the consideration received or receivable. Revenue is measured exclusive of VAT, taxes etc. charged on behalf of third parties and less any commissions and discounts, rebates granted and returns in connection with sales.

Sales of goods

Sales of goods are recognized when a group entity sells a product to the customer and risk and rewards have transferred to the customer. Sales are usually by bank transfer from the customer.

Sales of services

The Group sells repair and service of mobile phones or devices with a very short repairment period (a few days). For sales of services, revenue is recognized in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Performance obligations

The group fulfil their performance obligations upon delivery at one point in time or over a very short period of time. The payment terms follow the industry and are individualy negotiated. No contracts have a financing element and no contracts comprise variable consideration elements. The group has no obligations for returns and refunds.

Revenue comprise of one segment.

Raw materials and consumables

Cost of sales comprises costs incurred to achieve revenue for the year. Cost comprises raw materials and consumables.

Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses, etc.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

Financial income and expenses

Financial income and expenses include interests, financial gains and expenses, debt, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as additional payments and repayment under the tax prepayment scheme.

Dividend income

Dividend income is recognized when the right to receive payment is established.

Leases and lease obligation

Operating leases

Lease contracts, where the lessor retains the significant risk and rewards associated with the ownership of the asset, are classified as operating leases.

Lease payments under operating leases are recognised in the income statement over the lease term. The total lease commitment under operating leases is disclosed in the notes to the financial statements.

Finance leases

Lease contracts, which in all material respects transfer the significant risk and rewards associated with the ownership of the asset to the lessee, are classified as finance lease. Assets treated as finance leases are recognised in the balance sheet at the inception of the lease term at the lower of the fair value of the asset or the net present value of the future minimum lease payments. A liability equalling the asset is recognised in the balance sheet. Each lease payment is separated between a finance charge, recorded as a financial expense, and a reduction of the outstanding liability.

Assets under finance leases are depreciated in the same manner as owned assets and are subject to regular reviews for impairment.

Special items

Special items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

Contingent assets and liabilities

Contingent assets and liabilities are assets and liabilities that arose from past events but whose existence will only be confirmed by the occurrence or non-occurrence of future events that are beyond the Group's control.

Contingent assets and liabilities are not to be recognised in the financial statements, but are disclosed in the notes.

Notes to the Financial Statements

1. Summary of significant accounting policies (continued)

Statement of cash flow

The Statement of Cash Flows is presented using the indirect method. The Statement of Cash Flows shows cash flows used in operating activities, cash flows used in investing activities, cash flows from financing activities, and the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments. Cash flows from financing activities comprise cash flows from the raising and repayment of long term debt as well as payments to and from shareholders.

2. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimated impairment of goodwill

Goodwill amount to DKK 194 million and an impairment loss of DKK 50 million has been recognised in 2018. A reference is made to note 6. Impairment losses has been recognised as 80 million in 2017. The Group annually tests whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 1.

3. Compliance with financial covenants

Last year the Group was under the agreement on amended terms for the bonds. This year the bonds are redeemed and the group are not subject to covenants.

Notes to the Financial Statements

4. Segment, revenue and assets information

Segment

The Executive Management is the group's chief operating decision-maker. Management has determined the single operating segment based on the information reviewed by strategic steering committee for the purposes of allocating resources and assessing performance.

The Executive Management operates the company as a whole based upon centralized decision making across the various production sites. Therefore management has assessed that the group only has one segment.

Revenue, Geographical information

Revenue disclosures - 2017

	Denmark	Sweden	Norway	Finland	Group
	DKKk	DKKk	DKKk	DKKk	DKKk
Revenue	21.743	177.117	178.897	206.541	584.298

Revenue disclosures - 2018

	Denmark	Sweden	Norway	Finland	Group
	DKKk	DKKk	DKKk	DKKk	DKKk
Revenue	22.423	115.399	152.660	149.685	440.167

Revenue

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
Sales of services	366.780	458.817	28.756	24.930
Sales of goods	73.387	125.481	-	-
Total revenue	440.167	584.298	28.756	-

One customer accounts for DKK 87.5 million (2017 DKK 73.4 million) or 19.87% (2017 12.6%) of total turnover in 2018.

Notes to the Financial Statements

4. Segment, revenue and assets information (continued)

Assets, Geographical information

Assets disclosures - 2017

	Denmark	Sweden	Norway	Finland	Group
	DKKk	DKKk	DKKk	DKKk	DKKk
Intangible assets	263.871	-	4.442	186	268.499
Tangible assets	632	5.644	600	1.488	8.364

Assets disclosures - 2018

	Denmark	Sweden	Norway	Finland	Group
	DKKk	DKKk	DKKk	DKKk	DKKk
Intangible assets	207.808	-	3.009	186	211.004
Tangible assets	525	4.766	581	1.903	7.775

Notes to the Financial Statements

5. **Special items**

Cost items that are material either because of their size or their nature, or that are non-recurring are considered as special items.

An analysis of the amount presented as special item in these financial statements is given below.

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
Operating items:				
Non-recurring: Re-organization:	-	-	-	-
- Personnel costs	5.621	3.595	350	-
- Consultant cost liquidation and Re-org.	2.210	963	858	663
- Merge costs	-	1.015	-	-
- Other Re-organization costs	4.463	2.416	2.244	2.119
	12.294	**7.989**	**3.452**	**2.782**

Notes to the Financial Statements

6. Intangible assets

Group	Goodwill	Software under construction	Software	Total
	DKKk	DKKk	DKKk	DKKk
Cost				
As at december 2016	**324.982**	**3.301**	**44.715**	**372.998**
Exchange differences	-1.808	-	-373	-2.181
Transfer	-	-3.301	3.301	-
Additions	-	3.433	9.016	12.449
As at 31 December 2017	**323.174**	**3.433**	**56.659**	**383.266**
Accumulated amortization and impairment				
As at december 2016	-	-	-8.236	-8.236
Exchange differences	-	-	-16	-16
Impairment charge	-80.000	-	-	-80.000
Amortization charge	-	-	-26.515	-26.515
As at 31 December 2017	-80.000	-	**-34.767**	**-114.767**
Net Book value	**243.174**	**3.433**	**21.892**	**268.499**

Group	Goodwill	Software under construction	Software	Total
	DKKk	DKKk	DKKk	DKKk
Cost				
As at december 2017	**323.174**	**3.433**	**56.659**	**383.266**
Exchange differences	1.066	-	-100	966
Transfer	-	-3.433	3.433	-
Additions	-	-	5.719	5.719
As at 31 December 2018	**324.240**	**0**	**65.711**	**389.951**
Accumulated amortization and impairment				
As at december 2017	**-80.000**	-	**-34.767**	**-114.767**
Exchange differences	-	-	54	54
Impairment charge	-50.000	-	-	-50.000
Amortization charge	-	-	-14.233	-14.233
As at 31 December 2018	**-130.000**	-	**-48.946**	**-178.946**
Net Book value	**194.240**	-	**16.765**	**211.005**

Depreciation, amortization and impairments are included in the income statement as follows:	2018	2017
	DKKk	DKKk
Impairment	-50.000	-
Depreciation and amortisation	-6.097	-8.330
Written down Software	-8.136	-18.185
Exchange differences between avarage- and yearly rate	54	-115
	-64.179	**-26.630**

Notes to the Financial Statements

6. **Intangible assets (continued)**

Parent	Software under construction	Software	Total
	DKKk	DKKk	DKKk
Cost			
As at december 2016	**3.301**	**36.911**	**40.212**
Acqusitions of subsidiary	-3.301	3.301	-
Additions	3.433	7.026	10.459
As at 31 December 2017	**3.433**	**47.238**	**50.671**
Accumulated amortization and impairment			
As at december 2016	-	-5.541	-5.541
Amortization charge	-	-24.247	-24.247
As at 31 December 2017	-	-29.788	-29.788
Net Book value	**3.433**	**17.450**	**20.883**

Parent	Software under construction	Software	Total
	DKKk	DKKk	DKKk
Cost			
As at december 2017	**3.433**	**47.238**	**50.671**
Transfer	-3.433	3.433	-
Additions	-	5.719	5.719
As at 31 December 2018	-	**56.390**	**56.390**
Accumulated amortization and impairment			
As at december 2017	-	**-29.788**	**-29.788**
Amortization charge	-	-12.847	-12.847
As at 31 December 2018	-	**-42.635**	**-42.635**
Net Book value	-	**13.755**	**13.755**

Depreciation, amortization and impairments are included in the income statement as follows:	2018	2017
	DKKk	DKKk
Depreciation and amortisation	-4.711	-6.062
Written down Software	-8.136	-18.185
	-12.847	**-24.247**

The group and parent company has written down software amounting to DKK 8.1 million, (2017 DKK 18 million) as the software no longer is being used.

Notes to the Financial Statements

6. Intangible assets (continued)

Impairment test for goodwill

Management monitors goodwill for the Mobylife Group as a whole. Therefore the impairment test of goodwill is performed for the Group as a whole, which is also the way managements reviews the results of the Group.

The recoverable amount of the CGU has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budget and outlook approved by management covering a ten-year period. Cash flows beyond the ten-year period are extrapolated using the estimated growth rates.

For the CGU the key assumptions, long term growth rate and discount rate used in the value-in-use calculations are as follows. The allocation of goodwill to CGU's is also summarized in the table.

Information and assumptions	2018	2017
	DKKk	DKKk
Goodwill	194.240	243.174
Revenue volume (% annual growth rate)	2,3%	2,2%
Annual capital expenditure	8.500	7.750
WACC (pre TAX)	10,5%	10,2%
Long term growth rate	2,0%	2,0%

Revenue volume is the average annual growth rate over the ten-year forecast period. It is based on past performance and management's expectations of market development. Gross margin is the average margin as a percentage of revenue over the ten-year forecast period. It is based on the current sales margin levels and sales mix.

The result includes other operating costs, which are the fixed costs of the CGU and do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business following the initated organisational restructurring, adjusting for inflationary increases. The amounts disclosed above are the average operating costs for the ten-year forecast period.

The management expects a decline in distribution business which is causing the gross margin to increase compared to prior period.

The annual capital expenditure will decrease significantly due to agreed IT savings through our service partner

An impairment chart of DKK 50 million has been recognised in 2018 due to lower expected future growth and consequently a lower EBITDA result. This it due to our updated assessment of the market development in the coming years.

Sensitivity analyses
The sensitivity of WACC (after tax) - a change of +0.5% equals to an increase in impairment of goodwill on DKK 13 million, a change of -0.5% equals to a decrease in impairment of goodwill on DKK 15 million.

The sensitivity of long term growth rate - a change of +0.5% equals to a decrease in impairment of goodwill on DKK 9 million, a change of -0.5% equals to an increase in impairment of goodwill on DKK 8 million.

Notes to the Financial Statements

7. **Property, plant and equipment**

	Land and buildings	Leasehold improvements	Equipment, furnitures and fixtures	Total
	DKKk	DKKk	DKKk	DKKk
Group				
Cost	3.606	5.565	13.111	22.282
Accumulated depreciation	-355	-4.189	-9.697	-14.241
Net book amount year ended 31 December 2016	**3.251**	**1.376**	**3.414**	**8.041**
Opening net book amount	3.251	1.376	3.414	8.041
Exchange differences	-89	-29	-70	-188
Additions	-	2.159	3.269	5.429
Disposals	-	-3.929	-9.511	-13.440
Depreciation charge	-132	-774	-1.377	-2.284
Depreciation on disposals	-	3.247	7.559	10.807
Closing net book amount at 31 December 2017	**3.030**	**2.051**	**3.284**	**8.365**
Group				
Cost	3.507	3.767	6.799	14.073
Accumulated depreciation	-477	-1.716	-3.515	-5.708
Net book amount year ended 31 December 2017	**3.030**	**2.051**	**3.284**	**8.365**
Opening net book amount	3.030	2.051	3.284	8.365
Exchange differences	-118	4	4	-110
Additions	55	837	1.360	2.252
Disposals	-	-	-414	-414
Reclassifications	-	219	-219	-
Depreciation charge	-124	-1.004	-1.375	-2.503
Depreciation on disposals		-	-	-
Closing net book amount at 31 December 2018	**2.843**	**2.107**	**2.640**	**7.590**
Cost	-	4.827	7.530	15.801
Accumulated depreciation	-	-2.720	-4.890	-8.211
Net book amount	**-**	**2.107**	**2.640**	**7.590**

In 2019 the Group has set a proberty for sale to an amount that exceeds the net booked value.

Depreciation, amortization and impairments are included in the income statement as follows:	2018	2017
	DKKk	DKKk
Depreciation and amortisation	-2.503	-2.284
Exchange differences between avarage- and yearly rate	-	-20
	-2.503	**-2.304**

The group leases various vehicles under noncancellable finance lease agreements. The lease terms are between 1 and 5 years. The book value af finance lease amounts to DKKk 923 as at 31 December 2018, and DKKk 1,036 as at 31 December 2017.

Notes to the Financial Statements

7. Property, plant and equipment (continued)

	Equipment, furnitures and fixtures
	DKKk
Parent	
Cost	726
Accumulated depreciation	-94
Net book amount year ended 31 December 2016	**632**
Opening net book amount	-
Exchange differences	-
Reclassifications	-
Acquisition of subsidiary	-
Additions	-
Disposals	-
Depreciation charge	-142
Depreciation on disposals	-
Closing net book amount at 31 December 2017	**-142**
Cost	726
Accumulated depreciation	-236
Net book amount	**490**

Depreciation, amortization and impairments are included in the income statement as follows:	2018
	DKKk
Depreciation and amortisation	-142
	-142

Notes to the Financial Statements

8. **Finance income and costs**

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
Interest expense:				
- Interest to group companies	-540	-	-2.254	-
-Bank borrowings	-282	-387	-91	-77
-Interest bonds	-3.126	-11.770	-3.126	-11.770
-Amortisation cost	-3.081	-1.536	-3.081	-1.536
-Finance lease liabilities	-38	-26	-16	-11
-Other interest expenses	-706	-101	-4	-2.611
Net foreign exchange loss on financing activities	-3.864	-4.917	-1.843	-1.964
Finance costs	**-11.636**	**-18.737**	**-10.414**	**-17.969**
Finance income:				
-Interest income on short-term bank deposits	-	995	-	-
- Remission of debt Vendor loan	-	16.858	-	16.858
- Remission of debt bonds	144.557	-	144.515	-
Net foreign exchange gains on financing activities	3.311	11.332	2.818	7.282
-Interest income on loans to related parties	-	-	1.418	3.556
Finance income	**147.868**	**29.185**	**148.751**	**27.696**
Net finance income/(costs)	**136.232**	**10.448**	**138.337**	**9.727**
Financial income (P&L):				
Interest received	-	995	1.418	3.556
Fair value adjustments - bonds	144.557	-	144.515	-
- Remission of debt	3.311	16.858	-	16.858
Foreign exchange differences	-	11.332	2.818	7.282
	147.868	**29.185**	**148.751**	**27.696**
Financial cost (P&L):				
Interest expenses	-7.772	-13.819	-8.572	-16.005
Foreign exchange losses	-3.864	-4.917	-1.843	-1.964
	-11.636	**-18.736**	**-10.414**	**-17.969**
Net finance income/(costs)	**136.232**	**10.448**	**138.337**	**9.727**

Notes to the Financial Statements

8. Finance income and costs (continued)

The proposal voted on by the comittee was to amend the terms to enable a mandatory redemption of all outstanding notes at a price of 12 per cent of their nominal amount being SEK 120 per SEK 1,000 of nominal amount, including accrued and unpaid interest.

With the backing of the proposalby a significant majority of the informal noteholder comittee a written procedure was launched the 5th of March 2018 to request the noteholders to vote on the proposal in accordance with the terms and conditions of the notes.

The 28th of March 2018 the written resolution was passed in favour of the proposal and MLH immidiately thereafter exercised the mandatory redemption of all our outstanding notes. The buy back of Bonds has a impact of DKK 144 million on finance income.

Mobylife Holding A/S has in the financial year 2017, finalized the settlement agreement dealing with arbitration claim towards the previous owners of Telecare Service A/S. Positive impact on Mobylife Holding A/S in 2017, DKK 16.9 Million as finance income.

Notes to the Financial Statements

9. Income tax expense

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
Current tax:				
Current tax on profits for the year	-126	-3.500	172	-
Adjustments in respect of prior years	232	1.160	-	6.293
Total current tax	**106**	**-2.340**	**172**	**6.293**
Deferred tax:				
Origination and reversal of temporary differences	-	281	-	-
Write down of tax assets	-522	-2.107	-	-478
Tax loss carry forward	-	1.716	-	-
Total deferred tax	**-522**	**-110**	**-**	**-478**
Income tax expenses for the period	**-416**	**-2.450**	**172**	**5.815**

A reconciliation of income tax/expense at the statutory rate of Mobylife Holding A/S effective tax rate is as follows:

Profit before tax	**46.398**	**-82.783**	**45.278**	**-69.591**
Computed 22.0%	**-10.207**	**18.212**	**-9.961**	**15.310**
Tax effects of:				
-Expenses not deductible for tax purposes	22	3.992	-	5.486
Non-taxable income				
-Adjustments in respect of prior years	-	-4.749	-	118
-Tax value of write down goodwill and investments in subsidiaries	-11.000	-17.600	-22.000	-14.621
- Redemption of outstanding bond debt	31.793	-	31.793	-
- Write down of tax assets	-11.024	-2.301	-	-478
Re-measurement of deferred tax – change in –land-tax rate	-	-4	-4	-
Tax charge	**9.791**	**-20.662**	**9.789**	**-9.495**
Income tax expenses for the period	**-416**	**-2.450**	**-172**	**5.815**

Significant components of the deferred tax asset are as follows:

Operating items:				
Tax deductible losses	1.702	1.718	-	-
Other temporary differences	123	607	-	-
Total deferred tax	**1.825**	**2.325**	**-**	**-**
Deferred tax asset	1.825	2.325	-	-
Deferred tax liability	-	-	-	-
Total deferred tax	**1.825**	**2.325**	**-**	**-**

Tax losses carried forward are not subject to time limitation. All recogniced deferred tax assets are axpected to be offset against postive taxable income witin a 3-5 year period, based on the approved business plan and budgets for The Group.

Notes to the Financial Statements

10. Equity interests in subsidiaries

Mobylife Holding A/S (parent company) holds investments in the following subsidiaries:

Name	Domicile	Share-capital		Ownership and votes 2018	Ownership and votes 2017
Mobylife DK A/S	Herlev, Denmark	DKKk	500	100%	100%
Mobylife AS	Lier, Norway	NOKk	10.000	100%	100%
Mobylife AB	Malmø, Sweden	SEKk	102	100%	100%
Mobylife OY	Helsinki, Finland	EURk	3	100%	100%

Investments in subsidiaries are subject to a yearly assessment by the group's management for impairment indications and, if necessary, an impairment test is carried out.

	Parent	
	2018	2017
	DKKk	DKKk
Opening balance	370.641	344.595
Additions for the year	20.333	26.046
Cost per December 31	**390.974**	**370.641**
Impairment per January 1	-104.329	-73.329
Impairment for the year	-100.000	-31.000
Impairment per December 31	**-204.329**	**-104.329**
Carrying amount per December 31	**186.645**	**266.312**

Impairment equity interests in subsidiaries

Management has tested the subsidiaries in the group for impairment based on as value-in-use test. The impairment test has resulted in impairment of DKK 100 mio (DKK 31 mio.) and has been based on a WACC of 8.4% (8,2%).

The investments in subsidiaries are written down in 2018 due to lower expected future revenue growth and consequently a lower EBITDA result for the subsidiary.

All subsidiaries are included in the consolidation. The proportion of the voting rights in the subsidiaries held directly by the parent company does not differ from the proportion of the ordinary shares held.

There are no significant restrictions.

Notes to the Financial Statements

11. Inventories

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
Raw materials and supplies	11.657	11.543	-	-
Finished goods	-	-	-	-
Total inventories	**11.657**	**11.543**	-	-
Provision for inventory reserves	-1.753	-1.232	-	-
Total net inventories	**9.904**	**10.311**	-	-

Provision for inventory reserves				
1 January	-1.232	-2.043	-	-
Additions / Disposals	-521	811	-	-
31. December	**-1.753**	**-1.232**	-	-

The consumption of goods and servics was in 2018 DKK 294 million, compared to DKK 382 million in 2017. The inventory level is below one month usage.

The provision for inventory reserves comprise of general reserves on slow moving items.

Notes to the Financial Statements

12. Trade and other receivables

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
Movement on the Group provision for impairment of trade receivables are as follows:				
Opening balances	1.655	1.160	-	-
Exchange differences	-	-44		
Allowances during the year	231	578	-	-
Write-offs during the year	-447	-37	-	-
Reversed allowances	-338	-	-	-
At 31 December	**1.101**	**1.655**	-	-
Allocation of overdue net receivables (not written off) by maturity period are as follows:				
Up to 30 days	2.135	4.730	-	-
Between 31 and 90 days	473	2.598	-	-
Between 91 and 365 days	760	4.010	-	-
Overdue net receivables at 31 December	**3.368**	**11.338**	-	-

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

Movement on the Company's provision for impairment of trade receivables are as follows:

The group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information. The credit risk is generally considered immaterial.

Notes to the Financial Statements

13. Financial assets and liabilities

The Group has recognised the following categories of financial assets and liabilities:

	2018		2017	
	Carrying Amount	Fair value	Carrying Amount	Fair value
	DKKk	DKKk	DKKk	DKKk
Financial assets				
Loans and receivables:				
Trade receivables	16.872	16.872	32.538	32.538
Other receivables	17.618	17.618	18.723	18.723
Cash and equivalents	-	-	1.685	1.685
Total	**34.490**	**34.490**	**52.946**	**52.946**
Financial liabilities				
Interest-bearing bonds	-	-	146.142	17.906
Trade payables	38.892	38.892	42.817	42.817
Other payables	28.870	28.870	36.731	36.731
Credit institutions	6.836	6.836	-	-
Total	**74.598**	**74.598**	**225.690**	**97.454**

The only differencies in carrying amount and fair value is on bonds.
The bond is deemed this year, whish is why the differencies is no longer shown.

Fair value 2017

Last year in the fair value for interest-bearing bonds was used a price of 12 per cent of their nominal amount being SEK 120 per SEK 1,0000 of nominal amount.

Financial instruments measured at fair value can be divided inte three levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities

Level 2 - inputs other than quoted prices included in level 1 that are not observable for the asset or liability

Level 3 - Inputs for the asset or liability that are not based on observable market data.

The fair value of interest-bearing bonds were calculated on level 3 in the fair value hierarchy using fair for interest-bearing bonds, a price og 12 per cent of their nominal amount being SEK 120 per SEK 1,0000 have been used.

Notes to the Financial Statements

14. Financial risk management

Financial risk factors

The group's activities expose it to a variety of financial risks: market risk (currency and interest risk), credit risk and liquidity risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

The Financial risks of the group are managed centrally. The overall risk management guidelines and policies have been approved by the board of directors. Group treasury identifies and evaluates in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Market risk

Foreign exchange risk

The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the SEK, NOK and EUR. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations. Increases or decreases in the exchange rate of such foreign currencies against the functional currency, the DKK, can affect the group's results and cash position negatively or positively.

At 31 December 2018, if the DKK had weakened/strengthened by 5% against the EUR with all other variables held constant, the recalculated post-tax profit for the year would have been DKKk 238 (2017: DKKk 335) lower/higher and for the Equity DKKk 256 (2017: DKKk 493), mainly as a result of foreign exchange gains/losses on translation of EUR-denominated trade receivables and foreign exchange losses/gains on translation of EUR-denominated borrowings.

At 31 December 2018, if the DKK had weakened/strengthened by 5% against the SEK with all other variables held constant, the recalculated post-tax profit for the year would have been DKKk 794 (2017: DKKk 5,132) lower/higher and for the Equity DKKk 57 (2017: DKKk 5,700), mainly as a result of foreign exchange gains/losses on translation of SEK-denominated trade receivables and foreign exchange losses/gains on translation of SEK-denominated borrowings.

At 31 December 2018, if the DKK had weakened/strengthened by 5% against the NOK with all other variables held constant, the recalculated post-tax profit for the year would have been DKKk 696 (2017: DKKk 1.013) lower/higher and for the Equity DKKk 214 (2017: DKKk 1.369), mainly as a result of foreign change gains/losses on translation of NOK-denominated trade receivables and foreign exchange losses/gains on translation of EUR-denominated borrowings.

Interest rate risk

The group's interest rate risk is considered low. The group is posed to vairable interest rate on BNP and Danske Bank engagements. Possible effect is considered immaterial, within the next years.

Notes to the Financial Statements

14. Financial risk management (continued)

Credit risk

Credit risk is managed on group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. For customers individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties. A reference is made to note 15.

Liquidity risk

Cash flow forecasting is performed in the operating entities of the group and aggregated by group finance. Group finance monitors rolling forecasts of the group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the group does not breach borrowing limits or covenants (where applicable) or any of its borrowing facilities. Such forecasting takes into consideration the group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

The table below analyses the group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

At December 31, 2017	Less than 3 month	Between 3 month and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	DKKk	DKKk	DKKk	DKKk	DKKk	DKKk
Borrowings (ex finance lease liabilities)	2.856	8.568	11.424	169.003	-	191.851
Vendor loan	-	-	-	-	-	-
Finance lease liabilities	59	176	807	-	-	1.042
Trade payables	42.818	-	-	-	-	42.818
Other payables	36.731	-	-	-	-	36.731
Total	**82.464**	**8.744**	**12.231**	**169.003**	**-**	**272.442**
At December 31, 2018						
Loan from CC Orange Invest ApS	-	-	15.538	-	-	15.538
Finance lease liabilities	89	611	549	-	-	1.249
Trade payables	38.892	-	-	-	-	38.892
Other payables	28.870	-	-	-	-	28.870
Total	**67.851**	**611**	**16.087**	**-**	**-**	**84.549**

Notes to the Financial Statements

14. Financial risk management

Capital management

The Group has exposure to foreign exchange risk as a result of the operations in Denmark, Sweden, Norway and Finland. Foreign exchange-, interest rate-, and credit risks arise from commercial relationships and the impact on the issued bond. The company has no major purchases outside the Nordic region or EUR-zone. Billing and purchasing is done predominantly in DKK, SEK, NOK or EUR. Mobylife Holding A/S has not used financial instruments to hedge against currency fluctuations.

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital. A reference is made to note 15 Liquidity and capital resources.

Notes to the Financial Statements

15. Liquidity and capital resources

For 2018, the Mobylife Group experienced a significant decline in revenue, negative EBITDA before special items of DKK 10.7 million and a decline in cash flows from operating activities. This disappointing performance reflected the continued difficult Nordic repair market caused by the competition from the unauthorised service providers and solutions where repairs are handled outside the Nordics. The Board of Directors and the Executive Management regularly assess whether the Mobylife Group has an adequate capital structure, adequate capital resources and liquidity resources available. Such assessment has also been carried out in relation to preparing the 2018 annual report.

This assessment is based on the combination of budget 2019, supporting plans and also potential mitigating actions that are available in order to ensure that continued sufficient liquidity resources are available for the financial year 2019 and beyond.

The budget 2019 and the expected cash position at 31 December 2019 is based on budget assumptions, of which the most important is to increase profitability. The assumptions to increase profitability include closure of a Swedish site with positive impact, already implemented, and a number of further initiatives that shall increase profitability. Furthermore, the Group also plan to generate cash from disposal of surplus assets. The budgeted liquidity is tight throughout 2019, especially in the first half of 2019, and is dependent on that the Group achieve its budget 2019.

Budgets and plans are based on best estimates of the future at the time of approving the annual report. However, budgets and plans relate to future events and the fulfilment of such are by nature prone to uncertainty.

If against expectations, the Group performs below budget, the Board of Directors and Management will take mitigating actions to secure sufficient cash until 31 December 2019 and beyond.

Based on this assessment, the Board of Directors and the Executive Management considers that Mobylife Group and Mobylife Holding A/S has adequate and enough liquidity resources available to finance the operations of the Mobylife Group for the coming year.

Notes to the Financial Statements

16. Borrowings

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
Non-current				
Issued bonds	-	146.142	-	146.142
Issued bonds - interest	-	8.355	-	8.355
Intercompany debt	15.538	-	15.538	9.674
Finance lease liabilities	206	807		492
Total	**15.744**	**155.304**	**15.538**	**164.663**
Current				
Issued bonds - interest	-	1.206	-	1.206
Bank borrowings	6.836	-	3.555	-1.491
Finance lease liabilities	1.043	234	492	144
Total	**7.879**	**1.440**	**4.047**	**-141**

Non-current borrowings

In 2017 the Group's financing mainly comprises issued bonds. In May 2014 Mobylife Holding A/S issued a SEK 350 million bond used for financing the acquisitions of subsidiaries as well as refinancing existing bank debt.

The bond was listed on NASDAQ Stockholm at 20 November 2015.

Mobylife Holding A/S has finalized the buyback of bond debt in 2018, which has resulted in a positive impact of DKK 144 Million as finance income.

Mobylife Holding A/S has in the financial year 2017, finalized the settlement agreement dealing with arbitration claim towards the previous owners of Telecare Service A/S. Positive impact on MLH in 2017, DKK 16.9 Million as finance income.

Notes to the Financial Statements

17. Provisions

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
Re-organization costs	3.789	233	-	233
At 31 December	**3.789**	**233**	-	**233**

Re-organization cost

Re-organization cost are provisions for closure of an office and include employee obligations and obligations regarding agreements. The provision is expected to have realized in year 2019 of the companies.

Movements in provisions in group	Re-organization costs	Total
	DKKk	DKKk
Carrying amount at start of the year	233	233
Amount used during the year	-233	-233
New provisions	3.789	3.789
Carrying amount at end of the year	**3.789**	**3.789**

Movements in provisions in parent	Re-organization costs	Total
	DKKk	DKKk
Carrying amount at start of the year	233	233
Amount used during the year	-233	-233
New provisions	-	-
		-
Carrying amount at end of the year	-	-

Notes to the Financial Statements

18. Share capital and shareholder information

The following table summarizes common share activity in the years presented:

	2018	2017
	DKKk	DKKk
Common shares outstanding – 1 January	20.921	20.921
Write-off the share capital	-	-
Shares issued	-	-
Common shares outstanding – 31 December	-	-
Par value	-	-
Share capital on balance sheet	**20.921**	**20.921**

The principal shareholders of common shares at 31 December 2018 are:		Number of shares	Ownership Interest
CC Orange Invest ApS, Copenhagen, Denmark	A-shares	17.200.000	82,21%
Mobylife DM ApS, Herlev, Denmark	A-shares	3.721.092	17,79%
		20.921.092	

No shares carry any special rights.

Shares owned directly or indirectly by Executive Management and the Board of Directors at 31 December 2018:	Number of shares	Ownership Interest
Vilhelm Hahn-Petersen	373.320	1,8%
Peter Ryttergaard	107.848	0,5%
Jacob Thygesen	94.818	0,5%
Mads Middelboe	93.891	0,4%
Jakob H. Kraglund	780.247	3,7%

Notes to the Financial Statements

19. Related party disclosures

Mobylife Holding A/S's related parties are :

- The parent companies
- The parent company's subsidiaries
- Companies in which members of the parent company's Board of Directors, Executive Management, and close members of the family of these persons exercise significant influence
- The parent company's Board of Directors, Executive Management, and close members of the family of these persons

Company	**Relationship**
Mobylige DK A/S	Subsidiary
Mobylife AS	Subsidiary
Mobylife AB	Subsidiary
Mobylife OY	Subsidiary
Parent companies:	
Catacap I K/S	Ultimate parent
CC Orange Invest ApS	Parent

The financial statements for CC Orange Invest ApS can be obtained at www.virk.dk

Notes to the Financial Statements

19. Related party disclosures (continued)

	Parent	
	2018	2017
	DKKk	DKKk
Transactions with subsidiaries		
Sales of goods:	-	-
Sales of services:	28.756	24.930
Purchase of goods:	-	-
Purchase of services:	-	-54
Year-end balances with subsidiaries	**28.756**	**24.984**
Nominal value	-	12.326
Non-current receivables	**-**	**12.326**
Nominal value, net	39.962	-42.797
Current Liabilities / receivables	**39.962**	**-42.797**

The disclosure of "Key management compensation" is presented in the notes regarding "Employee benefits" – note 22.

Notes to the Financial Statements

20. Fees to auditors appointed at the general meeting

The Group's principal auditors perform audits for all of Mobylife Holding A/S's entitites. The Group's principal auditors received a total fee of DKKk 2,399 (2017: DKKk 2,737). The fee is distributed between these services:

Group	2018 DKKk	2017 DKKk
Statutory audit fee	725	1.020
Audit related services	498	370
Tax advisory services	38	134
Other services	1.139	1.213
Total fee to auditors appointed at the general meeting	**2.399**	**2.737**

Parrent	2018 DKKk	2017 DKKk
Statutory audit fee	170	117
Audit related services	390	284
Tax advisory services	20	70
Other services	1.035	913
Total fee to auditors appointed at the general meeting	**1.615**	**1.384**

Notes to the Financial Statements

21. Commitments and contingent liabilities

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

Operating lease commitments – group company as lessee

The group leases premises under non-cancellable operating lease agreements. The lease terms are between 5 and 10 years, and the majority of lease agreements are renewable at the end of the lease period at market rate.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
No later than 1 year	8.556	11.335	2.674	2.807
Later than 1 year and no later than 5 years	18.473	21.156	-	-
Later than 5 years	215	-	-	-
Total	**27.245**	**32.491**	**2.674**	**2.807**

Finance leases

The parent company and the group have entered into finance lease contracts, primarily with respect to company cars.

Future minimum lease payments under such finance leases and the net present value are as follows:

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
Minimum lease payments				
No later than 1 year	206	234	-	-
Later than 1 year and no later than 5 years	1.043	807	-	-
Later than 5 years	-	-	-	-
Total	**1.249**	**1.041**	-	-

Notes to the Financial Statements

21. Commitments and contingent liabilities (continued)

Group and parent contingent liabilities

In the subsidiaries bank guarantees amounting to DKK 1,8 million has been issued.

Danske Bank has floating charges for a total of 10 million in simple claims, inventories, fixtures and goodwill

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxes income.

The Group has entered into a contract of joint and several suretyship that has been concluded between all the companies of the Group. The suretyship is entered in the Group's banker, Danske Bank, and is unlimited.

Mobylife Holding A/S has issued paymentguarantees for suppliers at DKK 7 million.

Mobylife Holding A/S has additionally rentguarantees regarding the leaseguarentee in Norway amounting to DKKk 76.

Letter of support - Parent Compant

The Parent Company Mobylife Holding A/S has issued support and subordination letters to subsidiaries in the Mobylife Holding Group effective until 31 December 2019. The letters of support are limited to ordinary activities in the subsidiaries.

There are no further significant commitments or contingent liabilities at year end 2018.

Notes to the Financial Statements

22. Employee benefit expense

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
Wages and salaries, including restructuring costs and other termination benefits	82.851	92.913	3.384	300
Social security costs	18.858	18.311	-	-
Pension costs	4.806	6.513	-	-
Other post-employment benefits	11.988	20.274	30	-
Total employee benefit expense	**118.501**	**138.011**	**3.415**	**300**
Staff costs are included in the income statement as follows:				
Production costs	-	-	-	-
Personnel costs	118.501	138.011	3.415	300
Staff cost	**118.501**	**138.011**	**3.415**	**300**
Average number of employees	314	348	-	-
Number of employees at year end	**302**	**323**	-	-

There are under Note 5 special items salaries of DKKk 5.621 (2017: DKKk 3,595) which relate to resigned employees.

Key Management Compensation

Key management includes Board of Directors and Executive Management. The compensation paid or payables to key management for employee services is shown below:

	2018	2017
	DKKk	DKKk
Salaries and other short-term employee benefits, Executive Management	3.490	2.460
Salaries and other short-term employee benefits, Board of Directors	300	300
Total	**3.790**	**2.760**

There are no terminations, post-employment or other long-term benefits included in Key Management Compensation.

Compensation to the Board of Directors comprise of fixed fees.

Included in the above figures compensation for the Executive Board in the Parent Company comprise TDKK 100 (2017: TDKK 100).

Notes to the Financial Statements

23. Adjustments for non-cash transactions

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
Depreciation and amortisation of tangible and intangible assets	16.827	28.934	12.989	24.341
Write down financial assets	50.000	80.000	-	31.000
Financial income	-147.868	-29.185	-148.751	-27.696
Financial costs	11.636	18.737	10.414	17.969
Income tax expense	416	2.450	-172	-5.815
Other adjustments	-516	-2.932	-	-
Adjustments from non-cash transactions	**-69.505**	**98.004**	**-125.520**	**39.799**

24. Change in working capital

	Group		Parent	
	2018	2017	2018	2017
	DKKk	DKKk	DKKk	DKKk
Change in inventories	214	-1.527	-	-
Change in receivables	15.991	374	26.168	-19.765
Change in payables	-7.666	-11.687	-37.236	57.706
Other adjustments	-	-	-	-
Change in working capital	**8.539**	**-12.840**	**-11.068**	**37.941**

25. Debt liabilities from financing activities

	Group		Parent	
	Non-current Liabilities	Finance lease debt	Non-current Liabilities	Finance lease debt
1. January 2018	154.497	1.041	164.171	636
Cashflow	18.886	224	18.518	-144
Non cast transactions	-157.847	-	-167.153	0
31. December 2018	**15.536**	**1.265**	**15.536**	**492**

Notes to the Financial Statements

26. Events after the reporting period

No events have occurred after the reporting period, with any effect on the financial statements as of December 2018.