

BPNet ApS

Wildersgade 32, 1408 København K
CVR no. 38 04 92 91

Annual report for the financial year 28.09.16 - 31.12.17

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 21.06.18

H. Kenneth Merritt, Jr.
Dirigent

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The company

BPNet ApS
Wildersgade 32
1408 København K

Registered office: København
CVR no.: 38 04 92 91
Financial year: 28.09 - 31.12

Executive Boards

H. Kenneth Merritt Jr.

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement of the Board of Directors on the annual report

I have on this day presented the annual report for the financial year 28.09.16 - 31.12.17 for BPNet ApS.

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

The financial statements have not been audited, and I declare that the relevant conditions have been met.

In my opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.17 and of the results of the the company's activities for the financial year 28.09.16 - 31.12.17.

I believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Beierholm Statsautoriseret Revisionspartnerselskab has assisted with payroll service, and I hereby confirm having reviewed and approved the result of this assistance.

Copenhagen, June 13, 2018

Executive Boards

H. Kenneth Merritt Jr.

To the management of BPNet ApS

Based on the company's book-keeping and other information provided by the management, we have compiled the financial statements of BPNet ApS for the financial year 28.09.16 - 31.12.17.

The financial statements comprise the income statement, balance sheet, statement of changes in equity and notes, inclusive of accounting policies.

We have performed our compilation engagement in accordance with the ISRS 4410 standard on Engagements to Compile Financial Statements.

We have applied our professional expertise to assist the management with the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant provisions of the Danish Act on Approved Auditors and Audit Firms (Revisorloven) and the code of ethics of FSR – Danish Auditors, including principles concerning integrity, objectivity, professional competence and due care.

Management retains responsibility for the financial statements and for the accuracy and completeness of the financial information on the basis of which the financial statements are prepared and presented.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by management for the compilation of the financial statements. Accordingly, we will not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Odense, June 13, 2018

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Jacob Pedersen
State Authorized Public Accountant
MNE-no. mne33725

Primary activities

The company's activities comprise to processing video and sound, and other related activities.

Uncertainty concerning recognition and measurement

In the financial statements for the financial year the financial year 28.09.16 - 31.12.17, it is important to note the following uncertainty with regard to recognition and measurement, as it has had a significant influence on the assets and liabilities recognised in the financial statements:

Uncertainty relates to acquired rights and provisions for deferred tax asset. The recognised value for aquired rights amounts to 3,940k DKK and provisions for deferred tax assets amount to 181k DKK. The recognised value based on the management's expectation to the company's ability to generate future profit from the acquired rights.

Subsequent events

No important events have occurred after the end of the financial year.

Income statement

	28.09.16	31.12.17
		DKK
Note		
Gross profit		1,569,468
2 Staff costs		-1,591,599
Profit/loss before depreciation, amortisation, write-downs and impairment losses		-22,131
Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment		-866,286
Profit/loss before net financials		-888,417
Financial income		194,395
Financial expenses		-129,600
Profit/loss before tax		-823,622
Tax on profit or loss for the year		180,767
Profit/loss for the year		-642,855
Proposed appropriation account		
Retained earnings		-642,855
Total		-642,855

Balance sheet

ASSETS

Note		31.12.17
		DKK
	Acquired rights	3,940,098
	Total intangible assets	3,940,098
	Other fixtures and fittings, tools and equipment	89,508
	Total property, plant and equipment	89,508
	Deposits	10,916
	Total investments	10,916
	Total non-current assets	4,040,522
	Trade receivables	139,325
	Deferred tax asset	180,767
	Other receivables	29,704
	Total receivables	349,796
	Cash	324,323
	Total current assets	674,119
	Total assets	4,714,641

EQUITY AND LIABILITIES

	31.12.17
Note	DKK
Share capital	50,000
Retained earnings	2,139,322
Total equity	2,189,322
Other payables	724,231
Total long-term payables	724,231
Short-term portion of long-term payables	724,232
Prepayments received from customers	25,106
Trade payables	129,348
Payables to group enterprises	598,332
Other payables	324,070
Total short-term payables	1,801,088
Total payables	2,525,319
Total equity and liabilities	4,714,641

3 Contingent liabilities

4 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Retained earnings	Total equity
Statement of changes in equity for 28.09.16 - 31.12.17			
Capital contributed on establishment	50,000	-670	49,330
Group contribution	0	2,782,847	2,782,847
Net profit/loss for the year	0	-642,855	-642,855
Balance as at 31.12.17	50,000	2,139,322	2,189,322

1. Uncertainty concerning recognition and measurement

In the financial statements for the financial year 28.09.16 - 31.12.17, it is important to note the following uncertainty as regards recognition and measurement as it has had a significant influence on the assets and liabilities recognised in the financial statements:

Uncertainty relates to acquired rights and provisions for deferred tax asset. The recognised value for acquired rights amounts to 3,940k DKK and provisions for deferred tax assets amount to 181k DKK. The recognised value based on the management's expectation to the company's ability to generate future profit from the acquired rights.

2. Staff costs

Wages and salaries	1,574,400
Other social security costs	5,680
Other staff costs	11,519
Total	1,591,599
Average number of employees during the year	2

3. Contingent liabilities

Lease commitments

The company has concluded lease agreements with terms to maturity of 18 months and average lease payments of DKK 11k, a total of DKK 67k.

Other contingent liabilities

The company has concluded a rental agreement with 2 months termination notice, and a total rental commitment of DKK 11k

4. Charges and security

The company has not provided any other security over assets.

5. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B.

No comparative figures have been provided as this is the company's first financial year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company, and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

LEASES

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

5. Accounting policies - continued -

INCOME STATEMENT

Gross profit

Gross profit comprises revenue and other external expenses.

Revenue

Income from the sale of goods is recognised in the income statement if delivery has taken place and the risk has passed to the buyer before the end of the financial year and where the selling price can be determined reliably and is expected to be paid. Revenue is measured at fair value and is determined exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other external expenses

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The depreciation and amortisation of intangible assets and property, plant and equipment aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated and amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value, per cent
Acquired rights	7	0
Other plant, fixtures and fittings, tools and equipment	4	0

The basis of depreciation and amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation and amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets and property, plant and equipment are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

5. Accounting policies - continued -

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Intangible assets

Acquired rights

Acquired rights are measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Acquired rights are amortised using the straight-line method based on useful lives, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

Property, plant and equipment

Property, plant and equipment comprise other fixtures and fittings, tools and equipment.

Property, plant and equipment are measured in the balance sheet at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and expenses resulting directly from the purchase until the asset is ready for use. Interest on loans arranged to finance production is not included in the cost.

Property, plant and equipment are depreciated using the straight-line method based on useful lives and residual values, which are stated in the 'Depreciation, amortisation and impairment losses' section.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal less any costs of disposal.

5. Accounting policies - continued -

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation and amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Cash

Cash includes deposits in bank accounts as well as operating cash.

5. Accounting policies - continued -

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to the time and date of delivery of the agreed product or completion of the agreed service.