



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2019 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer: 918 124 926
Organisasjonsform: Aksjeselskap
Foretaksnavn: LAST LION HOLDCO AS
Forretningsadresse: 7.etg
Fridtjof Nansens plass 5
0160 OSLO

Regnskapsår

Årsregnskapets periode: 01.01.2019 - 31.12.2019

Konsern

Morselskap i konsern: Ja
Konsernregnskap lagt ved: Ja

Regnskapsregler

Regler for små foretak benyttet: Nei
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Forenklet IFRS
Benyttet ved utarbeidelsen av årsregnskapet til konsernet: IFRS

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Martez Romondo Moore
Dato for fastsettelse av årsregnskapet: 22.04.2020

Grunnlag for avgivelse

År 2019: Årsregnskapet er elektronisk innlevert
År 2018: Tall er hentet fra elektronisk innlevert årsregnskap fra 2019

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 08.08.2021



Resultatregnskap

Beløp i: USD	Note	2019	2018
RESULTATREGNSKAP			
Kostnader			
Other operating expenses	3	663 000	364 000
Sum kostnader		663 000	364 000
Driftsresultat		-663 000	-364 000
Finansinntekter og finanskostnader			
Financial income	4	2 793 000	8 575 000
Sum finansinntekter		2 793 000	8 575 000
Interest expense	4	11 155 000	11 560 000
Sum finanskostnader		11 155 000	11 560 000
Netto finans		-8 362 000	-2 985 000
Ordinært resultat før skattekostnad		-9 025 000	-3 349 000
Income tax expense	5	335 000	0
Ordinært resultat etter skattekostnad		-9 360 000	-3 349 000
Årsresultat		-9 360 000	-3 349 000
Foreign currency translation (loss) gain		-842 000	354 000
Sum resultatkomponenter for IFRS-foretak		-842 000	354 000
Totalresultat		-10 202 000	-2 995 000



Balanse

Beløp i: USD	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Finansielle anleggsmidler			
Investering i datterselskap	8	98 960 000	98 960 000
Sum finansielle anleggsmidler		98 960 000	98 960 000
Sum anleggsmidler		98 960 000	98 960 000
Omløpsmidler			
Varer			
Fordringer			
Other receivables		3 119 000	5 340 000
Sum fordringer		3 119 000	5 340 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		3 097 000	3 274 000
Sum bankinnskudd, kontanter og lignende		3 097 000	3 274 000
Sum omløpsmidler		6 216 000	8 614 000
SUM EIENDELER		105 176 000	107 574 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	6	368 000	368 000
Annen innskutt egenkapital		4 636 000	4 636 000
Sum innskutt egenkapital		5 004 000	5 004 000
Opptjent egenkapital			
Retained Earnings and other reserves		-22 188 000	-11 984 000



Balanse

Beløp i: USD	Note	2019	2018
Sum opptjent egenkapital		-22 188 000	-11 984 000
Sum egenkapital		-17 184 000	-6 980 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	4	85 530 000	85 100 000
Other non-current liabilities	7	28 849 000	29 430 000
Sum annen langsiktig gjeld		114 379 000	114 530 000
Sum langsiktig gjeld		114 379 000	114 530 000
Kortsiktig gjeld			
Leverandørgjeld	7	7 931 000	11 000
Other current liabilities		50 000	15 000
Sum kortsiktig gjeld		7 981 000	26 000
Sum gjeld		122 360 000	114 556 000
SUM EGENKAPITAL OG GJELD		105 176 000	107 576 000



Konsernets resultatregnskap

Beløp i: USD	Note	2019	2018
RESULTATREGNSKAP			
Inntekter			
Revenue	4	47 483 000	38 504 000
Sum inntekter		47 483 000	38 504 000
Kostnader			
Payroll and related expense	5	12 463 000	13 493 000
Depreciation and amortisation	10, 11, 12	8 308 000	6 158 000
Other operating expenses	7	5 806 000	6 546 000
Sum kostnader		26 577 000	26 197 000
Driftsresultat		20 906 000	12 307 000
Finansinntekter og finanskostnader			
Financial income	6	-84 000	1 572 000
Sum finansinntekter		-84 000	1 572 000
Financial expense	6	11 998 000	13 598 000
Sum finanskostnader		11 998 000	13 598 000
Netto finans		-12 082 000	-12 026 000
Ordinært resultat før skattekostnad			
Tax expense	8	4 647 000	704 000
Ordinært resultat etter skattekostnad		4 177 000	-423 000
Årsresultat		4 177 000	-423 000
Exchange (loss) gains arising on translation of foreign operations		530 000	0
Sum resultatkomponenter for IFRS-foretak		530 000	
Totalresultat		4 707 000	-423 000



Konsernets balanse

Beløp i: USD	Note	2019	2018
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Intangible assets	10, 11	19 535 000	21 082 000
Utsatt skattefordel	8	74 000	506 000
Goodwill	9	76 955 000	76 955 000
Sum immaterielle eiendeler		96 564 000	98 543 000
Varige driftsmidler			
Property and equipment	12, 19	4 016 000	1 156 000
Other non-current assets		476 000	424 000
Sum varige driftsmidler		4 492 000	1 580 000
Sum anleggsmidler		101 056 000	100 123 000
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	15, 16	31 711 000	19 192 000
Other receivables	8, 15	2 480 000	2 868 000
Sum fordringer		34 191 000	22 060 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	3	5 727 000	9 484 000
Sum bankinnskudd, kontanter og lignende		5 727 000	9 484 000
Sum omløpsmidler		39 918 000	31 544 000
SUM EIENDELER		140 974 000	131 667 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Konsernets balanse

Beløp i: USD	Note	2019	2018
Share capital	17	368 000	368 000
Annen innskutt egenkapital		4 636 000	4 636 000
Sum innskutt egenkapital		5 004 000	5 004 000
Opptjent egenkapital			
Retained Earnings and other reserves		3 379 000	-1 331 000
Sum opptjent egenkapital		3 379 000	-1 331 000
Sum egenkapital		8 383 000	3 673 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	8	2 437 000	3 556 000
Sum avsetninger for forpliktelser		2 437 000	3 556 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14	85 530 000	85 100 000
Other non-current liabilities	19, 20	29 958 000	29 501 000
Sum annen langsiktig gjeld		115 488 000	114 601 000
Sum langsiktig gjeld		117 925 000	118 157 000
Kortsiktig gjeld			
Leverandørgjeld	18	532 000	788 000
Taxes payable	8, 18	4 912 000	2 208 000
Public duties payable	18	423 000	261 000
Deferred revenue	16, 18	3 416 000	3 407 000
Other current liabilities and accruals	18, 19	5 384 000	3 173 000
Sum kortsiktig gjeld		14 667 000	9 837 000
Sum gjeld		132 592 000	127 994 000
SUM EGENKAPITAL OG GJELD		140 975 000	131 667 000



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	15.03.2017	30.03.2017
Telefon	Deres referanse	Vår referanse
90076012	Einar Sølsnes	2017/294351

LAST LION HOLDCO AS
Postboks 1400
0115 OSLO

Tillatelse til å utarbeide årsregnskap og årsberetning på engelsk språk for Last Lion Holdco AS, org.nr. 918 124 926

Vi viser til deres søknad sendt i brev av 15. mars 2017 der dere søker om dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk for Last Lion Holdco AS.

Skattedirektoratet gir på bakgrunn av en konkret helhetsvurdering Last Lion Holdco AS dispensasjon fra kravet til å utarbeide årsregnskap og årsberetning på norsk språk, jf. regnskapsloven § 3-4 tredje ledd. Dispensasjonen forutsetter at opplysningene som vedtaket baserer seg på ikke endres vesentlig.

Kopi av dette brevet må sendes Regnskapsregisteret i Brønnøysund sammen med årsregnskapet. Det påligger den regnskapspliktige å dokumentere ved dette brev at tillatelsen er gitt.

Bakgrunn

Fra deres søknad gjengis:

Selskapet er et holding selskap for Opera TV som selger software som implementeres i TV'er i forbindelse med produksjon av en TV. Kundene av Opera TV er TV produsenter i et internasjonalt marked over hele verden. Hovedandelen av kundene er lokalisert i Asia og Amerika. Arbeidsspråket i Last Lion Holdco AS er på engelsk, da styremedlemmer er engelsktalende.

Brukere av regnskapet:

Selskapet ble stiftet av amerikanere (gjennom Last Lion Holdings LTD) i desember 2016. Selskapet har kun en aksjepost i datterselskapet Opera TV og et banklån fra en amerikansk bank. Det legges til grunn at bank og eiere vil være de mest aktive brukerne av regnskapet til Last Lion Holdco AS. For at brukerne skal kunne lese regnskapet må regnskapsspråket være på engelsk.

En norsk oversettelse vil kun ha til formål å tilfredsstille lovens språkkrav.

Skattedirektoratets vurdering

Etter regnskapsloven § 3-4 tredje ledd skal "årsregnskapet og årsberetningen ... være på norsk. Departementet kan ved ... enkeltvedtak bestemme at årsregnskapet og/eller årsberetningen kan

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Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
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	skatteetaten.no/sendepost	



være på et annet språk.”

I Ot. prp. nr. 42 (1997-1998) Om lov om årsregnskap m.v., er det uttalt følgende om regnskapslovens formål, jf. pkt. 1.1:

”Regjeringen har som siktemål at regnskapsloven skal bidra til informative regnskaper for ulike grupper av regnskapsbrukere. Regnskapsbrukerne er dels investorer og kreditorer som tilfører kapital til foretakene, og dels andre grupper som har interesse av å vite hvordan foretaket drives, f.eks. de ansatte og lokalsamfunnet. Informasjonen til kapitalmarkedet skal gi grunnlag for riktig prising av finansielle objekter. Riktig prisdannelse på aksjer er en forutsetning for at ressursbruken i samfunnsøkonomien skal bli best mulig. Gode regnskaper vil også gjøre det vanskeligere for markedsdeltakere å ta ut spekulasjonsgevinster med basis i skjevt fordelt informasjon.”

Det fremgår således at et av hovedformålene med regnskapsloven er å bidra til “*informative regnskaper for ulike grupper av regnskapsbrukere*”. Regnskapsbrukere vil omfatte, jf. uttalelsen i proposisjonen, blant andre investorer, kreditorer, ansatte og lokalsamfunnet.

Det er etter Skattedirektoratets vurdering derfor avgjørende ved vurdering av om dispensasjon fra kravet til å utarbeide årsregnskap og/eller årsberetning på norsk kan gis, at det ikke foreligger mulige brukere av regnskapsinformasjon som blir vesentlig berørt negativt ved en eventuell dispensasjon.

Det er særlig hensynet til brukerne av regnskapsinformasjon som skal vurderes ved en dispensasjonssøknad. I denne vurderingen har Skattedirektoratet vektlagt at selskapets eiere og styremedlemmer er utenlandske. Eierkretsen er begrenset. Videre er det vektlagt at selskapet opererer i et internasjonalt marked, og at selskapets lånefinansiering er i en utenlandsk bank. Skattedirektoratet legger også vekt på at de øvrige regnskapsbrukerne sannsynligvis ikke vil bli negativt berørt ved at årsregnskapet og årsberetningen blir avlagt på engelsk.

Vennligst oppgi vår referanse ved henvendelser i saken.

Med hilsen

Torstein Kinden Helleland
seniorrådgiver
Rettsavdelingen, foretaksskatt
Skattedirektoratet

Jeanette Munkvold Skovholt



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Dokumentet er elektronisk godkjent og har derfor ikke håndskrevne signaturer



BDO AS
Munkedamsveien 45
Postboks 1704 Vik
0121 Oslo

Independent Auditor's Report

To the General Meeting in Last Lion Holdco AS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Last Lion Holdco AS.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2019, income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2019, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of Last Lion Holdco AS as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying financial statements give a true and fair view of the financial position of the group Last Lion Holdco AS as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by laws and regulations, 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.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements for the parent company in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for the preparation of the group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or Group 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 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.



Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 23 April 2020

BDO AS

Yngve Gjethammer

State Authorised Public Accountant



Last Lion Holdco AS Consolidated

Report and Financial Statements

Periods Ended

31 December 2019 & 2018



Last Lion Holdco AS

Report and financial statements for the periods ended 31 December 2019 and 2018

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Last Lion Holdco AS

Board of directors' report for the period ended 31 December 2019

Nature of the business activities and where these are conducted

Last Lion Holdco AS ("Parent") and subsidiaries (combined represent the "Last Lion Holdco Group" or "Group") is a company domiciled in Norway. The Parent's principal offices are located at Fridtjof Nansens Plass 5, Oslo, Norway. Subsidiaries include, Vewd Software AS (including Taiwan branch), Vewd Software Poland Sp. Z.o.O, Vewd Software Consulting Z.o.O, Vewd Software Sweden AB, Vewd Software Japan GK, Vewd Software USA, LLC, Beijing Vewd Information Technology Consulting Ltd. The Group primarily conducts business under the brand Vewd Software.

Vewd is the market leader in enabling the transition to OTT. Vewd's suite of OTT solutions enable our customers and partners to reliably, seamlessly, and efficiently reach connected device viewers. We help companies like Sony, Verizon, Samsung, and TiVo benefit from the growing number of consumers who watch content on connected devices.

With over 15 years' experience in the connected TV device and OTT industry, we boast technological expertise to continuously satisfy the ever-evolving demands of the marketplace. Our market-leading products help enable the best streaming video services and unparalleled user experiences on all types of devices for audiences around the world.

Vewd offers proven and flexible solutions for overcoming the difficult challenges and escalating costs associated with the rapidly evolving OTT space. As experts in developing software solutions spanning client to cloud, we provide customers and partners the products they need to connect consumers with the content they love. The company's six major service and product lines are:

- Vewd OS elevates the smart TV experience to bring everyone a better way of watching what they love with simple yet powerful viewing features. From cohesive integration of content from multiple sources to cloud-based app access, Vewd OS changes the way users watch TV forever.
- The Vewd Core is a Software Development Kit (SDK) that provides a HTML5 rendering engine, an ideal foundation for enabling OTT and advanced user experiences on all profiles of connected devices.
- Vewd Software Snap allows content owners to create and submit a beautifully designed TV app in minutes, for instant distribution to millions of connected TV devices.
- Vewd Core Modules is a suite of innovative modules that integrate with Vewd Core APIs to satisfy various market-specific requirements.
- Vewd Atom OTT environment in the cloud which enables popular apps from premium VOD providers, regional broadcasters, sports teams, or even your own branded apps.
- Vewd Go, built on Vewd OS, is a turnkey streaming media player reference design built by Vewd and HiSilicon providing flexibility from the first app to a fully customizable home screen

Analysis of the annual accounts and key risks and uncertainties

In 2019, revenue increased 9.0 MUSD, this was primarily associated with the execution of 3 new contracts with Hisense, Vestel, and TPV. With Vewd Software's SDK software, device manufacturers and operators can render their own TV user experience in HTML 5 while enabling popular TV Apps (also written in HTML 5) to be accessed by their consumers. This greatly accelerates time-to-market for Original Equipment Manufacturers ("OEM") and operators that choose the Vewd Software SDK software. The Vewd Software SDK software powers the experience on tens of millions of devices each year made by over 50 OEM and operators. In January 2020, Vewd Software won an Emmy® Award for technology and engineering for HTML5 development and development of a full TV experience on any device.

In 2019, payroll expenses decreased 1.0 MUSD due to capitalized development and better headcount management. Total FTEs at 31 December 2019 was 211. Staffing level slightly declined in 2019 due to moving certain Polish employees to consulting contracts.

In 2019, other operating expenses decreased by 0.7 MUSD when compared to 2018 due to IFRS 16 adjustments, resulting in a decrease in rent expense wherein rent payments were applied against the lease liability and interest expense.



Last Lion Holdco AS

Board of directors' report (*continued*) for the period ended 31 December 2019

Net Working Capital ("NWC") at 31 December 2019 was 25.3 MUSD. Our NWC definition includes cash and cash equivalents, trade and other receivables, tax receivable, less accounts payable, taxes payable, public duties payable, prepaid customers and other current liabilities. NWC fluctuates at times because of the seasonality of larger contracts and contractual terms. Specifically, the Group has a higher NWC from November to March, associated with customer instalments. The Group is actively working to optimize its operating working capital requirements. The Group accepts considerable sales in Euros and US Dollar, as such developments in foreign exchange markets are of importance. Any potential depreciation or appreciation in Norwegian kroner, Polish Zloty, and/or Euro against the US Dollar could result in unfavorable or favorable translation gains or losses. USD has strengthened compared to Norwegian Kroners and weakened compared to Euro, hence leading to a favorable translation effect, respectively.

Cash Flows

In 2019, operating activities generated 1.9 MUSD in cash as a result of profit before income taxes of 8.8 MUSD, increased by 12.1 MUSD in net finance cost, 8.3 MUSD in depreciation and amortization offset by 15.4 MUSD in net operating assets and liabilities. The decrease in operating assets and liabilities is the result of a decrease in trade and other receivables cash flow of 12.1 MUSD and accounts payables of 0.3 MUSD and decrease in other current liabilities of 3.0 MUSD.

Business Outlook

The number of TV sets connected to the internet grew on average 20% per year the past 5 years globally and is forecasted to continue that pace through 2020. Vewd Software's suite of products play in the middle of the consumer video ecosystem providing services for both content creators/owners and OEMS.

As OEMs and operators seek to enhance their relationships with and provide compelling applications and services to their consumers, they are increasingly developing and deploying internet-connected devices. As more original video content makes itself available for digital distribution via the Internet, the television industry is going through rapid change where traditional content delivery models are being substituted with direct-to-consumer models. The growth of this industry has been further spurred by increased consumer demand for popular TV Apps such as Netflix, YouTube, and regional broadcaster catch-up TV services, directly on their TVs or through set-top boxes. OEMs and Operators compete with one another for consumer attention in the living room and enabling such complex functionality to sell their products. These trends play in beautifully to the strengthened product portfolio provided by Vewd's products.

Market Risks

The market for streaming media is continuing to grow and evolve. The Group faces substantial competition from large technology and consumer electronics companies, including Roku, Amazon, Apple, and Google. These competitors have increased consumer awareness of TV streaming and contributed to the growth of the overall market, but their resources and brand recognition pose significant competitive challenges. Our success in capitalizing on the expanding opportunities in the streaming market will depend on our ability to continue to deliver high quality devices at competitive prices, in the face of this competition.

Research and Development

The Group invested in existing and new products in 2019. The Group invests between 10 to 15% of sales in research and development. In 2019, 5,6 MUSD was invested at the Group level, which is 12% of sales of own products at the Group level. Vewd Software AS (Subsidiary of the Group) also applied for Skattefunn in 2019 for a budget that was based on internal cost (personnel costs) and purchase of services and goods from subsidiaries totalling 4.3 MUSD. That application is still pending approval.

Financial Risk

Financial risk in the Group is primarily related to exchange rate fluctuations. Approximately, 42% of Group's receivables are paid in Euros. The Group's foreign exchange strategy calls for a continual assessment of the need for foreign exchange hedging, especially when Euros are acquired in connection with sales contracts.

Credit risk in relation to regular customers is deemed to be low, since the group has no dominant customers. Customers for major tenders are large and solvent contractors. Liquidity risk is also considered to be very low. The



Last Lion Holdco Group

Board of directors' report for the period ended 31 December 2019

Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities, when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days. The Group's bank deposits, cash and cash equivalent's balance at 31 December 2019 was 5.7 MUSD compared to a current liabilities balance of 14.7 MUSD.

Going Concern

The Board of Directors and the General Manager confirm that the going concern assumption has been applied in preparing the annual accounts. The parent company and the group have been characterised by favorable sales developments and adequate equity for several years and are well placed to continue such positive developments.

Working Environment

496 days off sick were registered in the Group in 2019. This represents less than 1% of total working hours over the financial year. No serious occupational accidents or incidents have been experienced over the year, whether at Vewd or in the subsidiaries.

The Board of Directors and the CEO are of the view that the working environment of Vewd is satisfactory but considers the need for implementing improvement measures on a continual basis. The various workplace environment committees the Group has held meetings on a regular basis during 2019. Several matters have been deliberated, and proposed solutions have been submitted to the affected departments.

The Group has a stable and well-qualified staff and is recognised as an attractive employer. Hence, we normally experience no difficulties in recruiting qualified personnel for vacancies.

Equal Opportunities

The personnel policy of the company is deemed to be gender neutral in all respects. We are of the view that equal opportunities issues have been adequately accommodated, and no specific measures have been initiated or planned with regard thereto. No feedback has been received to the effect that the personnel policy of the company is considered to discriminate based on gender. Vewd has established a new global employee handbook and policies and implemented measurement for employee and company performance, in addition to employee surveys. Moving into 2020 Vewd will continue to focus on diversity. The current percentage of women amongst the employees is 15% and there are no female board members. In 2020 management will continue to recruit female experienced and university applicants.

Non-discrimination and accessibility

We believe that no differential treatment of employees, or upon recruitment, takes place based on ethnicity, national origin, extraction, colour, language, religion, or faith.

External Environment

It is the Board of Directors' opinion that the external environment is not particularly polluted or affected by the Group's activities.

Subsequent Events

It is too early to determine the full economic impact of the Covid-19 virus on the business. To ensure working capital levels are sustained at the current levels, the Company has amended its Credit Facility to mitigate any unanticipated decline and improve any unforeseen working capital limitations Covid-19 may cause. See additional details associated with the Credit Facility Amendment at Footnote 23 Events after the reporting date.

Oslo, 22 April 2020.

Martez Romondo Moore
Chairman of the board

Aneesh Rajaram
Chief executive officer/member of the board



Last Lion Holdco AS

Consolidated statements of profit or loss and other comprehensive income for the periods ended 31 December 2019 and 2018

	Note	2019 \$'000	2018 \$'000
Continuing operations			
Revenue	4	47,483	38,504
Payroll and related expenses	5	(12,463)	(13,493)
Depreciation and amortisation	10,11,12	(8,308)	(6,158)
Other operating expenses	7	(5,806)	(6,546)
Total Operating expenses		(26,577)	(26,197)
Profit from operations		20,906	12,307
Financial expense	6	(11,998)	(13,598)
Financial income	6	(83)	1,572
Profit before tax		8,824	281
Tax expense	8	(4,647)	(704)
Profit for the period		4,177	(423)
Other comprehensive income (loss):			
Items that may or will be transferred to profit			
Exchange (loss) gains arising on translation of foreign operations		530	-
Total comprehensive income (loss)		4,707	(423)

The notes on page 9 to 37 form part of these financial statements.



Last Lion Holdco AS

Consolidated statements of financial position for the periods ended 31 December 2019 and 2018

	Note	31 December 2019 \$'000	31 December 2018 \$'000
Assets			
Non-current assets			
Goodwill	9	76,955	76,955
Intangible assets	10,11	19,536	21,082
Property and equipment	12,19	4,016	1,156
Other non-current assets		476	424
Deferred tax assets	8	74	506
Total non-current assets		101,056	100,123
Current assets			
Trade and other receivables	15,16	31,710	19,192
Other receivables	8, 15	2,480	2,868
Cash and cash equivalents	3	5,727	9,484
Total current assets		39,918	31,544
Total assets		140,974	131,667

The notes on page 9 to 37 form part of these financial statements.




Last Lion Holdco AS


Consolidated statements of financial position
for the periods ended 31 December 2019 and 2018 (continued)

	Note	31 December 2019 \$'000	31 December 2018 \$'000
Liabilities			
Non-current liabilities			
Loans and borrowings	14	85,530	85,100
Deferred tax liabilities	8	2,437	3,556
Other non-current liabilities	19, 20	29,958	29,501
Total non-current liabilities		117,925	118,157
Current liabilities			
Accounts payables	18	532	788
Taxes payable	8, 18	4,912	2,208
Public duties payable	18	423	261
Deferred revenue	16, 18	3,416	3,407
Other current liabilities and accruals	19, 18	5,384	3,173
Total current liabilities		14,666	9,837
Total liabilities		132,591	127,994
Equity			
Shareholders' equity			
Share capital	17	368	368
Other paid in equity		4,636	4,636
Retained Earnings and other reserves		3,379	(1,331)
TOTAL EQUITY		8,383	3,673
TOTAL EQUITY AND LIABILITIES		140,974	131,667

The financial statements were approved and authorised for issue by the Board of Directors on 22 April 2019 and were signed on its behalf by:

Oslo, 22 April 2020.


Marte Rómundo Moore
Chairman of the board


Aneesh Rajaram
Chief executive officer/member of the board

The notes on page 9 to 37 form part of these financial statements.



Last Lion Holdco AS

Consolidated statements of changes in equity for the periods ended 31 December 2019 and 2018

	Share capital	Other paid in equity	Retained Earnings (restated)	Total equity
Balance as of 1 January 2018	368	4,636	(881)	4,123
Comprehensive income for the period				
Profit	-	-	(423)	(423)
Other comprehensive income				
Foreign currency translation difference	-	-	-	-
Total comprehensive income for the period	-	-	(423)	(423)
Contributions by and distribution to owners				
Dividends	-	-	-	-
Issuance of shares	-	-	-	-
Share based transactions	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Other Changes	-	-	(27)	(27)
Balance as of 31 December 2018	368	4,636	(1,331)	3,673
Balance at 1 January 2019	368	4,636	(1,331)	3,673
Comprehensive income for the period				
Profit (loss)	-	-	4,177	4,177
Other comprehensive income				
Foreign currency translation difference	-	-	530	530
Total comprehensive income for the period	-	-	4,707	4,707
Contributions by and distribution to owners				
Dividends	-	-	-	-
Issuance of shares	-	-	-	-
Share based transactions	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Other Changes	-	-	3	3
Balance as of 31 December 2019	368	4,636	3,379	8,383

The notes on page 9 to 37 form part of these financial statements.



Last Lion Holdco AS

Consolidated statements of cash flows for the periods ended 31 December 2019 and 2018

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Profit (loss) for the year		8,824	281
Depreciation and amortization charges	10,11,12	8,308	6,158
Net finance costs	6	12,081	10,933
Decrease in trade and other receivables	15,16	(12,130)	(3,832)
Decrease in accounts payable	18	(256)	(1,346)
Increase/ (Decrease) in other current liabilities	18	(3,036)	251
		<hr/>	<hr/>
Cash generated from operations		13,791	12,445
Interest paid		(10,506)	(10,562)
Income tax paid		(1,301)	353
		<hr/>	<hr/>
Net cash from operating activities		1,984	2,236
		<hr/>	<hr/>
Investing activities			
Purchases of property and equipment	12, 19	(99)	(724)
Capitalized development costs	10	(5,642)	(4,187)
Purchases of associated companies, net of cash acquired		-	(280)
		<hr/>	<hr/>
Net cash used in investing activities		(5,741)	(5,191)
		<hr/>	<hr/>
Financing activities			
Proceeds from bank net of finance costs		-	-
		<hr/>	<hr/>
Net cash used in financing activities		-	-
		<hr/>	<hr/>
Net increase in cash and cash equivalents		(3,757)	(2,995)
Cash and cash equivalents at beginning of period		9,484	12,439
		<hr/>	<hr/>
Cash and cash equivalents at end of period	3	5,727	9,484
		<hr/>	<hr/>

The notes on page 9 to 37 form part of these financial statements.



Last Lion Holdco AS

Notes forming part of the financial statements for the periods ended 31 December 2019 and 2018

1 Accounting policies

General information

Last Lion Holdco AS and subsidiaries (combined represent the "Company") is a company domiciled in Norway. The Company's principal offices are located at Fridtjof Nansens Plass 5, Oslo, Norway.

Background for these financial statements

Last Lion Holdco AS was incorporated 16th November 2016.

The consolidated financial statements comprise of Last Lion Holdco AS and Vewd Software AS ("subsidiaries"). The Company was founded on the 19th of December 2016, as Last Lion Holdco AS acquired 100% of the shares in Vewd Software AS.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the EU and the interpretations adopted by the International Accounting Standards Board (IASB), as well as Norwegian disclosure requirements pursuant to section 3-9 of the Norwegian Accounting Act.

Basis of preparation

The consolidated financial statements are presented in US Dollars, rounded to the nearest thousand.

The preparation of consolidated financial statements, in conformity with IFRS, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Judgments made by management in the application of IFRS with a significant risk of material adjustment in the next year are discussed in note 2.

The accounting policies have been applied consistently by the Company.

Basis of consolidation

Where the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business to obtain benefits from its activities, it is classified as a subsidiary. The consolidated financial statements present the results of the Company and its subsidiaries as if they formed a single entity. Intercompany transactions and balances between the Company and its subsidiaries are therefore eliminated at consolidation.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognized at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained.



Last Lion Holdco AS

Notes forming part of the financial statements for the periods ended 31 December 2019 and 2018

1 Accounting policies (continued)

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to functional currency at the foreign exchange rate prevailing on that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate prevailing on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies recognized at fair value are translated to USD at foreign exchange rates prevailing on the date the fair value was determined.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from consolidation, are translated to USD at foreign exchange rates prevailing on the balance sheet date. Revenues and expenses of foreign operations are translated to USD using the approximate foreign exchange rates prevailing on the transaction date.

Provisions

A provision is recognized in the statement of financial position when the Company has an existing legal or constructive obligation as a result of a past event, and it is probable that a future outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The fair value of a contingent consideration is calculated using the income approach based on the expected payment amounts and their associated probabilities (i.e., probability weighted). If any portion of the contingent consideration is long-term in nature, it is discounted to present value.

Onerous contracts

A provision for onerous contracts is recognized when benefits are derived by the Company from a contract is lower than the unavoidable cost of meeting its obligations under the contract.

Trade and other payables

Trade and other payables are recognized at cost.

Property and Equipment

Equipment leasehold improvements, furniture and fixtures and other movables are recognized at cost, less accumulated depreciation. Improvements are capitalized and maintenance and repairs are charged to operations as incurred. When a depreciable asset is retired from service, the cost and accumulated depreciation is removed from the respective account.

Depreciation

Depreciation is recorded on a straight-line basis over the estimated useful lives of the related asset. The estimated useful lives are as follows:

*	Leasehold improvements	Up to 5 years
*	Equipment	Up to 3 years
*	Furnitures and fixtures	Up to 5 years

The residual value, if not insignificant, is reassessed annually.



Last Lion Holdco AS

Notes forming part of the financial statements for the period ended 31 December 2019 and 2018 (continued)

1 Accounting policies (continued)

Goodwill

Goodwill that arises upon the acquisition of subsidiaries. The Company measures goodwill at acquisition date as: Fair value of the consideration transferred plus the recognized amount of any non-controlling interests in the acquiree, less the net recognized amount of the identifiable assets acquired, and liabilities assumed.

The Company is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. Goodwill is recognized at cost, less any accumulated impairment losses.

Intangible assets

Research and development

Expenses related to research activities, which are expected to lead to scientific or technological knowledge and understanding, are recognized as costs in the statement of income in the period they are incurred. The Company develops specifically designed software for use in its customers' products. A fee is paid to the Company for this service, and this fee should cover the costs related to the development of the software. As the customer's payment covers the development costs, these costs are not reported in the statement of income. Cost of building new features, together with significant and pervasive improvements of the core platform, provided that the significant and pervasive improvements of parts or main components of the core platform will generate probable future economic benefits, are capitalized as development costs and amortized on a straight-line, 2-year basis.

A significant portion of the work that engineering performs (beyond specifically designed software) is related to the implementation of the ongoing updates that are required to maintain the software's functionality. Examples of updates include "bug fixes", updates made to comply with changes in laws and regulations, and updates made to keep pace with the latest web trends. These costs are expensed as payroll costs. The Company is required to test, on an annual basis, whether intangibles has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

Other intangible assets

Other intangible assets, excluding deferred tax assets that are acquired by the Company are recognized at cost less accumulated amortization and impairment losses.

Amortization

Amortization is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill and intangible assets with indefinite useful lives are systematically tested for impairment at each balance sheet date.

Financial income and expense

Financial income and expenses are comprised of interest income earned associated with the cash accounts and interest expense associated with the Wilmington trust agreement, respectively.

Foreign currency translation differences

Foreign exchange gains and losses are recognized in the statement of comprehensive income.



Last Lion Holdco AS

Notes forming part of the financial statements for the period ended 31 December 2019 and 2018 (continued)

1 Accounting policies (continued)

Income tax

Income tax on the profit or loss for the year is comprised of current and deferred taxes. Income tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. The applicable tax rate in Norway for 2019 is 22 %. The domestic income tax rate changed from 23 % to 22 % from 2018 to 2019, respectively.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax asset is only recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend.

Taxes paid abroad for the Company will be deducted in Norwegian taxes if the Company has taxes payable in Norway. If the Company has no Norwegian taxes payable, the taxes paid abroad will be carried forward as a deductible in future taxes payable.

Going Concern

The Board of Directors and the General Manager confirm that the going concern assumption has been applied in preparing the annual accounts. The parent company and the group have been characterised by favorable sales developments and adequate equity for several years and are well placed to continue such positive developments.

Revenue Recognition

Revenues are derived primarily from the licensing of software, royalties, development services, and software maintenance, support, and hosting. Inherent to software revenue recognition are significant management estimates and judgments in the interpretation and practical application of the complex rules to individual contracts. These interpretations generally would not influence the amount of revenue recognized but could influence the timing of such revenues.

Provided that the Company 1) identified the contract(s) with the customer, 2) identified the contract performance obligations, 3) determined the transaction price of the contract, 4) allocated the transaction price among the performance obligation(s) identified, and 5) recognize revenue after the Company satisfied each performance obligation and the customer obtained control of the good or service.

The Company's revenue recognized in the consolidated statements of operations is revenue from contracts with customers. The Company enters contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations.

Revenue disaggregation

The Company's disaggregated revenues are represented by the three reportable segments discussed in Note 4. The disaggregation is based on the evaluations that are regularly performed by the chief operating decision maker ("CODM") for purposes of allocating resources and evaluating financial performance. The Company's CODM is its Chief Executive Officer.



Last Lion Holdco AS

Notes forming part of the financial statements for the periods ended 31 December 2019 and 2018

1 Accounting policies (continued)

Nature of product and services

Software license revenues are recognized when control over the license is transferred to the customer and there is no obligation to transfer additional services and the consideration received is non-refundable. Generally, the customer prepays for a minimum number of copies of software. The Company receives this license fee irrespective of whether the customer uses or ships the number of minimum licenses. These prepaid license fees are recognized as revenue when the control over the license is transferred to the customer (satisfied at that point in time) and there is no obligation to transfer additional services and the consideration received is non-refundable. Unbilled receivables from prepaid customers arise from license and royalty contracts and cashflows can extend over a longer period, because cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognized on the contracts.

Royalty revenues are recognized as reported by the customer (generally 45 days after the period close). If the customer reports are unavailable at the time of close, management estimates the royalties based on the most likely outcome from the contract. The estimated amount of royalties is updated at each reporting date to reflect the position at that date, and any changes in circumstances since the last reporting date.

Development service revenues are recognized over time using either the output (e.g. achievements of defined milestones) or input (e.g. labor hours incurred relative to total estimated labor hours and/or materials used) methods. Total estimated labor hours are based on management's best estimate of the total amount of time it will take to complete a project. These estimates require the use of judgment. A significant change in one or more of these estimates could affect the profitability of one or more of our contracts. Management reviews the contract estimates periodically to assess the possible need for revisions in contract values and estimated labor hours and reflect changes in estimates in the period that such estimates are revised. When estimates indicate a loss, such loss is recognized in the current period in its entirety. Because of the inherent uncertainties in estimating total labor hours, it is possible that the estimates will change and could result in a material change of revenue recognized in the applicable period. The Company records a loss for any contract at the point it is determined that the total estimated contract costs will exceed management's estimates of contract revenues or the Company issues a new development contract for the extended services. As of December 31, 2019, the Company has not experienced any material losses on uncompleted contracts.

Software maintenance, support and hosting is recognized rateably over the period in which the services are performed. This is the primary method used for sales of software products which are typically fully functional upon delivery and do not require significant modification or alteration.

The Company assesses collectability based on many factors, including past transaction history with the customer and the credit worthiness of the customer. Management exercises judgment when the probability of collection and the current credit worthiness of each customer is assessed. The Company will provide for an allowance for bad debts based on historical experience of the customer base.

The Company records reimbursable out-of-pocket expenses in both development services and software maintenance, support, and hosting net sales. Value added and withholding tax, if any, is passed on to the customers.

The Company does not have any capitalized costs associated with contract acquisition because most direct contract acquisition costs relate to contracts that are recognized over a period of one year or less or are immaterial.

The Company has also assessed and considered if there is a significant financing component for its material contracts with terms greater than one year and have concluded there is none nor practical expedient consideration necessary as it relates to the principles required under IFRS15.



Last Lion Holdco AS

Notes forming part of the financial statements for the periods ended 31 December 2019 and 2018

1 Accounting policies (continued)

IFRS 9 Financial Instruments

Classification and measurement of financial assets

Financial assets comprise the following current assets and current liabilities: accounts receivable, other receivables, cash and cash equivalents, accounts payables, taxes payable, public duties payable, deferred revenue, and other current liabilities and accruals. All these current assets and current liabilities are in the IAS 39 category of loans and receivables and are measured at amortized cost. Upon adoption of IFRS 9, these financial assets have been determined to be within a business model of hold to collect and meet the solely payments of principal and interest (SPPI) criteria. Classification and measurement will continue to be at amortized cost under IFRS 9.

Impairment

IFRS 9 requires the Company to record expected credit losses on all its trade receivables, either on a 12-month or lifetime basis. The Company applied the simplified approach mandated to trade receivables by recording lifetime expected losses. The Company applied the general approach to the Company's amortised cost financial assets, other than trade receivables including, but not limited to, cash and cash equivalents.

Loss allowances are measured on either of the following bases:

- 12-month basis - these are expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date; or
- Lifetime basis - these are expected credit losses that result from all possible default events over the expected life of a financial instrument.

The Company's cash and cash equivalents have been assigned low credit risk based on the external credit ratings of the respective banks and financial institutions.

Trade Receivables - Impairment loss model

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process, the probability of the non-payment of the trade receivables are assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within net revenue in the consolidated statement of profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision. There was no loss provision for the year ended 31 December 2018.

The lifetime expected loss provision for trade receivables is as follows:

	Not past due	0-30 days	31-90 days	+90 days	Total
<i>At 31 December 2019</i>					
Expected loss rate	0.20%	0.50%	2.00%	5.00%	
Trade receivables	1,234	447	2,055	1,080	4,816
Loss provision	(2)	(2)	(41)	(54)	(100)
	1,232	445	2,014	1,026	4,716

Hedge accounting

The Group does not apply hedge accounting and is thus not affected by the changes related to the new rules under IFRS 9.



Last Lion Holdco AS

Notes forming part of the financial statements for the periods ended 31 December 2019 and 2018

1 Accounting policies (continued)

Changes in Accounting policies

New standards, interpretations, and amendments effective from 1 January 2019

New standards impacting the Group that will be adopted in the annual financial statements for the year ended 31 December 2019, and which have given rise to changes in the Group's accounting policies are:

- IFRS 16 Leases (IFRS 16)

Details of the impact these two standards are provided below. Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

IFRS 16 Leases

All leases are accounted for by recognizing a right of use asset and a lease liability except for:

- Lease of low value assets; and
- Lease with a duration of 12 month or less

IFRS 16 was adopted 1 January 2019 without restatement of comparative figures. For an explanation of the transitional requirements that were applied as at 1 January 2019, see Note 19 The following policies apply subsequent to the date of initial application, 1 January 2019.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically, the case) this is not readily determinable, in which case the Company's incremental borrowing rate at the commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such case, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expenses in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value agreement;
- the exercise price of any purchase option granted in favour of the Company if it is reasonably certain to assess that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated based on termination option being exercised

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increases for:

- lease payments made at or before commencement of the lease;
- initial direct costs; and
- the amount of any provision recognized where the Company is contractually required to dismantle, remove, or restore the lease asset

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term.



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 and 2018

2 Critical accounting estimates and judgement

Management has evaluated the development, selection and disclosure of the Company's critical accounting policies and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates. The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis for making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Key sources of estimation uncertainty and critical accounting judgments in applying the Company's accounting policies:

License & Royalty Revenues

Royalty revenues are recognized as reported by the customer (generally 45 days after the period close). If the customer reports are unavailable at the time of close, management estimates the royalties based on the most likely outcome from the contract. The estimated amount of royalties is updated at each reporting date to reflect the position at that date, and any changes in circumstances since the last reporting date. See note 4 for information.

Income taxes

The Company is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax issues based on best estimate of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made. See note 8 for information.

Estimated recoverable amount of cash generating unit for impairment testing of goodwill

In accordance with IAS 36, the Company tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on a value-in-use calculation. This calculation requires the use of estimates and is based on assumptions that are consistent with the market valuation of the Company. See notes 9 & 11 for information.

Intangible Assets

Expenses related to research activities, which are expected to lead to scientific or technological knowledge and understanding, are recognized as costs in the statement of income in the period they are incurred. The Company develops specifically designed software for use in its customers' products. A fee is paid to the Company for this service, and this fee should cover the costs related to the development of the software. As the customer's payment covers the development costs, these costs are not reported in the statement of income. Cost of building new features, together with significant and pervasive improvements of the core platform, provided that the significant and pervasive improvements of parts or main components of the core platform will generate probable future economic benefits, are capitalized as development costs and amortized on a straight-line, 2-year basis. See note 10 for information.

Public Funding

Vewd Software AS SkatteFUNN application for 2019 is still pending. No other public funding has been received. The SkatteFUNN R&D tax incentive scheme is a government program designed to stimulate research and development (R&D) in Norwegian trade and industry. Businesses and enterprises that are subject to taxation in Norway are eligible to apply for a tax deduction of up to 20% of their R&D project costs. Vewd Software AS received 5 MNOK in both 2017 and 2018 as a tax deduction. This is presented as a reduction of tax payable and a corresponding reduction of personnel expenses and research and development intangible asset. See note 8 for information.



Last Lion Holdco AS

Notes forming part of the financial statements for the periods ended 31 December 2019 and 2018 (continued)

2 Critical accounting estimates and judgement (continued)

Lessees

The determination of lease term for some lease contracts in which the Group is a lessee, including whether the Company is reasonably certain to exercise lessee option and the determination of the incremental borrowing rate used to measure lease liabilities.

3 Financial instruments

Principal financial instruments

The Group's financial assets, none of which are measured at fair value, are classified as loans and receivables, and comprise of cash and cash equivalents, trade receivables and other receivables. At 31 December 2019, the carrying value of the group's financial assets totalled \$39,606,000.

The Group's financial liabilities, none of which are measured at fair value, are classified as other financial liabilities measured at amortised cost and comprise trade payables, accruals, other payables and loans and borrowings. At 31 December 2018, the group's other financial liabilities measured at amortised cost totalled \$126,453,000.

Risk management

The Group is exposed through its operations to the following financial risks:

- Credit risk
- Cash flow interest rate risk
- Foreign exchange risk
- Other market price risk
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies, and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies, and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The board has overall responsibility for the determination of the Group's financial risk management objectives and policies. The board's overall objective is to set policies that seek to reduce risk as far as possible without unduly affecting the group's competitiveness and flexibility. Further details regarding these policies are described below.

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk related to accounts receivables is assessed to be limited due to the high number of customers in the Group's customer base. Three customers accounted for more than 10% of the Company's revenue during the financial year. Furthermore, the Group conducts most of its business with large global companies and has not experienced significant credit related losses during the period.



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 and 2018 (continued)

3 Financial instruments (continued)

	31 December 2019 \$'000	31 December 2018 \$'000
Trade receivables:		
Not past due	1,234	4,364
Past due 0-30 days	447	1,241
Past due 31-60 days	2,029	505
Past due 61-90 days	26	(31)
More than 90 days	1,080	1,117
Nominal value of trade receivables	4,816	7,196
Less provisions for expected credit losses	(100)	-
Carrying value of trade receivables	4,716	7,196
Unbilled revenue	26,994	11,996
Accounts receivables	31,710	19,192
Other	-	-
Trade and other receivables	31,710	19,192

Cash flow interest rate risk

Cash flow interest rate risk arises from long-term borrowings at variable rate. 100% of the group's long-term borrowings in the current and prior year are however subject to fixed rate arrangements and therefore the Group is not exposed to such variability.

Foreign exchange risk

Foreign exchange risk arises when the group enters transactions denominated in a currency other than its functional currency. Both revenue and operating expenses are exposed to exchange rate fluctuations. Whenever possible, the group seeks to match its foreign currency assets, liabilities, cash inflows and outflows in the same currency.

The Group is predominantly exposed to foreign exchange risk on the UK pound sterling, Polish Zloty, Swiss Franc, Euro, Japanese Yen, Norwegian Krone, Swedish Krona, Chinese Yuan, Taiwan New Dollar, South Korean Won, Brazilian Real, and US Dollar. The Group's net exposure to foreign exchange risk was as follows:



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 (continued)

3 Financial instruments (continued)

The currency exposure for trade receivables and the Conversion Rate (CR) at 31 December 2019 can be illustrated as follows:

	31 December 2019 \$'000	31 December 2018 \$'000
EUR	1,333	3,361
CHF	3	229
Nominal value of trade receivables	1,336	3,590

The currency exposure for trade payables and the conversion rate at 31 December 2018 can be illustrated as follows:

	31 December 2019 \$'000	31 December 2018 \$'000
CNY	42	16
BRL	1	-
KRW	47	-
EUR	124	93
GBP	9	27
JPY	14	1
NOK	(46)	110
PLN	190	272
SEK	21	32
TWD	4	6
USD	195	207
Nominal value of trade payables	601	764

Accordingly, a 1% increase in the conversion rate would affect the company as illustrated in the table below:

	31 December 2018 \$'000 Trade receivables	31 December 2018 \$'000 Trade payables	31 December 2018 \$'000 Total
CNY	-	-	-
CHF	2	-	2
EUR	34	1	35
GBP	-	-	-
JPY	-	-	-
NOK	-	1	1
PLN	-	3	3
SEK	-	-	-
TWD	-	-	-
	36	5	41



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 (continued)

	31 December 2019 \$'000 Trade receivables	31 December 2019 \$'000 Trade payables	31 December 2019 \$'000 Total
CNY	-	-	-
CHF	-	-	-
EUR	13	1	15
GBP	-	-	-
JPY	-	-	-
NOK	-	-	-
PLN	-	2	2
SEK	-	-	-
TWD	-	-	-
	13	3	17

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its borrowings. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. To achieve this aim, the Group seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 45 days.

	31 December 2019 \$'000	31 December 2018 \$'000
Liquidity reserves		
Cash and cash equivalents	2,625	9,484
Less restricted accounts	3,102	3,102
Liquidity reserves	5,727	6,382

On 19 December 2016, Last Lion Holdco AS entered into an \$85 million senior secured credit agreement to finance the purchase of 100% of the shares in Vevd Software AS. The credit facility has a maturity of 5 years. Covenants and further information on the credit facility are described in note 14. See note 20 for more information about other non-current liabilities.

Year	Interest \$'000	PIK interest \$'000	Loan balance At year end \$'000
2020	10,360	-	86,337
2021	10,360	-	-

Capital disclosures

The Group's capital comprises its share capital and retained earnings.

The Group's objectives when maintaining capital are:

- to safeguard the Group's ability to continue as a going concern
- to provide an adequate return to shareholders



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 (continued)

4 Revenue	2019	2018
	\$'000	\$'000
<i>Analysis by class of business</i>		
Licenses and royalties (point in time)	36,918	29,780
Development services (over time)	6,115	4,442
Maintenance, support, and hosting (over time)	4,352	4,282
	<hr/>	<hr/>
Total Revenue	47,385	38,504
	<hr/> <hr/>	<hr/> <hr/>

Information about major customers

Revenue share for customers exceeding 10% of total revenue:

Customer	Revenue for the year	Part of total revenue
A	3,684	7.8%
B	7,910	16.7%
C	13,379	28.2%
D	7,993	16.9%
	<hr/>	<hr/>
Total	32,963	69.6%
	<hr/> <hr/>	<hr/> <hr/>

See note 16 Unbilled receivables and prepaid customers for more information.



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 (continued)

5 Payroll and related expenses

	Total	*Key	Total	*Key
	31 December	Employees	31 December	Employees
	2019	31 December	2018	31 December
	\$'000	2019	\$'000	2018
		\$'000		\$'000
Staff costs consist of:				
Salaries and bonuses	9,005	1,289	9,290	1,083
Social security costs	1,816	184	1,494	157
Other pension costs	294	105	1,011	87
Other payroll expenses	1,347	34	1,698	47
Total remuneration	12,463	1,612	13,493	1,374

*Key Employees represent the five executive team members including the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Technology Officer and Chief Product Officer.

The average number of employees, including directors, during the year was as follows:

	2019	2018
Average number of employees	211	220

Pensions

The Group's pension plan is a defined contribution plan, where fixed contributions are paid to a third-party pension provider, and there exists no legal or constructive obligation to pay further contributions.

The Company has incorporated the requirements set out by the Mandatory Occupational Pensions Act ("Obligatorisk Tjenestepensjon").

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Group, and include the directors of the group only.

Directors' remuneration	Gross	Taxes	Other	\$'000
Board of Directors				Net
Martez Romondo Moore – Chairman of the board	176	3	7	187
Aneesh Rajaram – Chief Executive Officer	315	47	30	392
Total	491	50	37	579

Management share purchase

On 31 December 2018, Last Lion Holdings Ltd. share options were issued to the CEO. The exercise price of the options of £0.001 was equal to the fair market value of the shares on the date of issue. Last Lion Holdings Ltd. issued a loan of 148,590 USD to the CEO for the sole purpose of the purchase of shares, and an agreement for this respective loan was executed on the same date. Interest on the loan accrues daily and will be calculated by the Lender at the official rate of HM & customs from time to time.

There are no share options or similar financial instruments in the Group as of 31.12.2019

Termination Benefit

The CFO employment contract has a termination benefit of six months' salary, as of 31 December 2019 this would be valued at \$100,000. No other key personnel have contracted termination benefits.



Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 (*continued*)

6 Net finance costs	2019	2018
	\$'000	\$'000
Finance income:		
Other interest income	(429)	(418)
Foreign exchange gains	346	1,990
	<hr/>	<hr/>
Total	(83)	1,572
	<hr/>	<hr/>
Finance costs:		
Interest expenses on long-term borrowings*	10,505	11,244
Foreign exchange losses	1,538	2,354
Other interest expenses	(45)	-
	<hr/>	<hr/>
Total	11,998	13,598
	<hr/>	<hr/>
Net finance costs	12,081	12,026
	<hr/>	<hr/>

* Refer to note 14 for further information about the long-term borrowing.

7 Other operating expenses

The following table illustrates the relative distribution of other operating expenses into activities for the Company for the period from 01.01.2018 to 31.12.2018 and 01.01.2019 to 31.12.2019:

	2019	2018
	\$'000	\$'000
Other operating expenses		
Audit, legal and other advisory services	1,620	1,791
Rent and other office expenses	693	1,673
Marketing expenses	738	644
Travel and other expenses	2,756	2,438
Total	<hr/> 5,806 <hr/>	<hr/> 6,546 <hr/>
Remunerations to the auditor		
Statutory audit	363	534
Tax advice	10	151
Other advisory services	247	2
Total	<hr/> 620 <hr/>	<hr/> 687 <hr/>



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 (continued)

8 Income tax	31 December 2019 \$'000	31 December 2018 \$'000	
Analysis of tax expense			
Current tax – income tax	5,043	1,838	
Income tax - too little allocated in prior years#	335	-	
Change in deferred tax/tax liabilities	(731)	(1,134)	
Tax expense / income	4,647	704	
Specification of tax effects of temporary differences	Assets	Liabilities	
Tangible and intangible assets	-	2,333	
Accounts receivable and long-term receivables (intragroup)	1,068	-	
Deferred gain on assets sold	124	-	
Provisions and deferred revenue	-	1,179	
Lease agreements (IFRS 16)	-	43	
Total	1,192	3,555	
Changes in net deferred tax assets/liabilities	2019	2018	Change
<i>Movement in temporary differences during the period</i>	\$'000	\$'000	
Tangible and intangible assets	(2,333)	(3,193)	860
Accounts receivable	1,068	173	895
Deferred gain on assets sold	124	(30)	154
Provisions and deferred revenue	(1,179)	-	(1,179)
Lease agreements (IFRS 16)	(43)	-	(43)
Other changes according to refiling of tax papers previous years	-	(44)	44
Tax expense / income	(2,363)	(3,094)	(731)
Reconciliation of effective tax rate:	2019	2018	
	\$'000	\$'000	
Profit before tax	8,824	281	
Effective tax rate	52.7%	250.5%	
Profit before tax	8,824	281	
Expected tax expense at	1,941	65	
Non-deductible expenses / permanent diff.	2,346	787	
Skattefunn*)	-	(132)	
Changes in tax rates	-	(17)	
Other changes**	362	2	
Income tax expense/income	4,647	740	



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 (continued)

8 Income tax (continued)

All the tax positions are initially acquired through the purchase of Vewd Software AS. See note 11 for further disclosure on business combinations.

*Skattefunn is a Norwegian R&D funding that decreases the payable tax.

	2019	2018
	\$'000	\$'000
Payable income tax(gross)	4,731	2,783
Deduction Skattefunn*	-	(575)
Withholding Tax	(1,655)	(2,219)
Net tax receivable/payable	<u>3,076</u>	<u>(11)</u>
Withholding tax – offset against future taxable income	-	-

*Application for SkatteFUNN is still pending approval

** Related to refiling of tax papers for period of 2016-2018 some of the entities within the group



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 (continued)

9 Business combinations and goodwill

Group	\$'000
<i>Cost</i>	
At 1 January 2019	76,955
	<hr/>
At 31 December 2019	76,955
	<hr/> <hr/>

On 19 December 2016, Last Lion Holdco AS, a direct subsidiary of Last Lion Holdco acquired 100% of the voting shares in Vewd Software AS. The share purchase agreement was entered into between Otello Corporation ASA (seller) and Last Lion Holdco AS (buyer).

As part of the acquisition, Otello Corporation effectively reinvested convertible preferred securities, that upon the holder's sole discretion converts into 30% ordinary share capital in Last Lion Holdco, such that the ultimate ownership of Last Lion Holdco after the transaction is effectively 70% Moore Freres & Company and 30% Otello Corporation ASA. Last Lion Holdco was established by Moore Freres & Company which is a US based private investment firm specialising in transforming technology businesses.

The following table sets out the assets and liabilities acquired and their book and fair values to the group:

	Book value	Fair Value	Fair Value
	\$'000	Adjustments	\$'000
	\$'000	\$'000	\$'000
Fair value of assets acquired at 19 December 2016:			
Development	643	2,393	3,036
Software	-	12,790	12,790
Customer contracts and relationships	-	12,040	12,040
Goodwill	4,774	(4,774)	-
Property and equipment	170	-	170
Trade receivables	9,155	-	9,155
Other receivables	5,484	-	5,484
Cash and cash equivalents	5,001	-	3,756
Trade payables	(1,461)	-	(1,461)
Taxes payable	(3,345)	-	(3,345)
Other tax and social security	(233)	-	(233)
Deferred revenue	(3,609)	-	(3,609)
Other current liabilities and accruals	(1,822)	-	(1,822)
Deferred tax asset (liability)	688	(6,539)	(5,851)
Net assets acquired	<hr/> 15,445	<hr/> 15,910	<hr/> 31,355
			<hr/>
Fair value of consideration:			Fair value
			\$'000
Cash			79,720
Preference capital			23,590
Financed through intercompany debt			5,000
Total consideration			<hr/> 108,310
Goodwill arising on consolidation			<hr/> 76,955
			<hr/> <hr/>



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 and 2018 (*continued*)

10 Intangible assets

<i>Group</i>	Development	Software	Customers	Total
	\$'000	\$'000	\$'000	\$'000
<i>Cost or valuation</i>				
At 1 January 2018	4,135	12,790	12,040	28,965
Additions	4,187	-	-	4,187
Disposals	(740)	-	-	(740)
<i>Net book value</i>				
At 31 December 2018	7,582	12,790	12,040	32,412
<i>Depreciation</i>				
At 1 January 2018	1,117	2,641	2,487	6,245
Additions	803	2,558	2,407	5,768
Disposals	(683)	-	-	(683)
At 31 December 2018	1,237	5,199	4,894	11,330
<i>Net book value</i>				
At 31 December 2018	6,345	7,591	7,146	21,082
<i>Cost or valuation</i>				
At 1 January 2019	7,582	12,790	12,040	32,412
Additions	5,642	-	-	5,642
Disposals	(473)	-	-	(473)
<i>Net book value</i>				
At 31 December 2019	12,751	12,790	12,040	37,581
<i>Depreciation</i>				
At 1 January 2019	1,237	5,199	4,894	11,330
Additions	2,045	2,557	2,407	7,009
Disposals	(294)	-	-	(294)
At 31 December 2019	2,988	7,756	7,301	18,045
<i>Net book value</i>				
At 31 December 2019	9,763	5,034	4,739	19,536
<i>Useful life (years)</i>				
PPA Valuation	5	5	5	
Other	2	-	-	
<i>Amortization method</i>				
PPA Valuation	Linear	Linear	Linear	
Other	Linear	-	-	
<i>Carrying amount</i>				
PPA Valuation	Linear	Linear	Linear	
PPA Valuation	Linear	Linear	Linear	



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 and 2018 (continued)

11 Impairment of intangible assets

The Company is required to test, on an annual basis, whether goodwill and intangibles have suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows. See notes 9 and 10 for more information.

The Group has identified one cash-generating unit ("CGU"), Vewd Software AS.

Cash flow projections and assumptions

For the CGU, the model was based on 3 years forecast of discounted cash flow plus a terminal value. The net discounted cash flows were calculated before tax. The NPV-model included the following assumptions:

The estimated cash flows included in the impairment test includes forecast for 2020 and updated business plan for 2021 and 2022.

Estimated cash flow projections beyond the period covered by the most recent long-term business plan are derived by extrapolating the projections based on the forecasts using a growth rate of 2.0 % for subsequent years.

Discount rate

Vewd estimates a discount rate for the value-in-use calculation based on the Company's cost of capital, which is estimated to be 12.5 % post-tax (~16.7 % pre-tax), based on a on a weighted average of required rates of return for the Company's equity and debt (WACC). The required rate of return on the Company's equity is estimated by using the capital asset pricing model (CAPM). The required rate of return on debt is estimated based on a long-term risk-free interest rate with an added a credit margin. A size and company-specific risk premium is added to the estimated cost of equity to reflect a market assessment of risk specific to Vewd.

Impairment - test result and conclusion

Value in use for Vewd Software AS exceeds carrying amount. The impairment test indicated no requirement to write down.

Sensitivity analysis

A reasonable change in revenue growth, EBITDA margin, WACC and level of working capital would not lead to impairment.



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 and 2018 (continued)

12 Property and equipment	Property and equipment \$'000	Right of use asset \$'000	Fixtures and fittings \$'000	Total \$'000
Group				
Cost or valuation				
As of 1 January, 2019	1,379	4,337	383	6,099
Acquired through business combinations	-	-	-	-
Additions	80	-	19	99
Disposal	-	-	-	-
Acquisition Cost as of 31 December 2019	1,459	4,337	402	6,198
Depreciation and impairment losses				
As of 1 January, 2019	527	-	79	606
Charge for period	384	1,138	54	1,576
Disposal	-	-	-	-
Accumulated Depreciation and impairment losses as of 31 December 2019	911	1,138	133	2,182
Net book value				
As of 31 December, 2019	548	3,199	269	4,016
Useful Life	3-5 Years	1-4 Years	5 Years	
Depreciation for the year	1,522	1,138	54	1,576
Impairment losses for the year	-	-	-	-



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 and 2018 (continued)

13 Subsidiaries

The company had the following subsidiary undertakings at the end of the year, all of which have been included in the consolidated financial statements:

Company	Country of Incorporation	Proportion of Interest as of 31 December 2019 and 2018	Principal activity
Vewd Software AS (including Taiwan branch)	Norway	100%	Provision of software services
Vewd Software Poland Sp. Z.o.O	Poland	100%	Provision of software services
Vewd Software Consulting Sp. Z.o.O	Poland	100%	Provision of consulting associated with software services
Vewd Software Sweden AB	Sweden	100%	Provision of software services
Vewd Software Japan GK	Japan	100%	Provision of software services
Vewd Software USA, LLC	US	100%	Provision of software services
Beijing Vewd Information Technology Consulting Ltd.	China	100%	Provision of software services

The registered address of Last Lion Holdco AS, Vewd Software AS (including Taiwan branch) is: Fridtjof Nansens Plass 5, Oslo, Norway.

The registered office of Vewd Software Poland Sp. Z.o.O is ul. Pulawska 182 02-670, Warsaw, Poland

The registered office of Vewd Software Consulting Sp. Z.o.O is ul. Pulawska 182 02-670, Warsaw, Poland

The registered office of Vewd Software Sweden AB is Västra Hamngatan 8 SE-411 17 Göteborg.

The registered office of Vewd Software Japan GK is MG Meguro Ekimae 8F #808 & #809, 2-15-19 Kamiosaki, Shinagawa ku, Tokyo 141-0021

The registered office of Beijing Vewd Information Technology Consulting Ltd. is 16th Floor, Gemdale Plaza Tower A, No.91 Jianguo Road, Chaoyang District, Beijing

The registered office of Vewd Software USA, LLC is 1325 Avenue of the Americas, New York NY 10019



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 and 2018 (continued)

14 Loans and borrowings

	2019 \$'000	2018 \$'000
Credit facility	85,000	85,000
Total debt	86,337	86,337
Borrowing cost	(807)	(1,237)
	<u>85,530</u>	<u>85,100</u>

On 19th December 2016, Last Lion Holdco AS entered into an \$85,000,000 senior secured credit agreement (the "Credit Facility") by and among Morgan Stanley Senior Funding Special Situations Lending Group, the lenders party thereto (the "Lenders") and Wilmington Trust National Association, as the Administrative Agent and Collateral Agent of the Lenders. Under the Credit Facility, the Company obtained a term loan in the aggregate principal amount of \$85,000,000 with a maturity date of 5 years (the "Term Loan"). Last Lion Holdco AS may prepay and terminate the Credit Facility at any time, without premium or penalty. The Credit Facility contains certain annual mandatory prepayment provisions which are based upon certain asset sales, equity issuances, incurrence of certain indebtedness and events of loss.

For any borrowings under the Credit Facility, Last Lion Holdco AS elects one of two monthly interest payment options to determine the annual interest rates applicable to loans under the Credit Facility: (i) entirely in cash (12.00% per annum) or (ii) PIK Interest (10.5% per annum with the 1.5% per annum balance being added to the principal amount of the loan). The monthly interest election is transacted through administrative agent notification at least 10 business days prior to each interest payment.

The Credit Facility is guaranteed by the current and future domestic subsidiaries of the group and is secured by substantially all of the group's assets, subject to certain exceptions as set forth in the Credit Facility.

The Credit Facility contains customary affirmative, negative, and financial covenants which, among other things, restrict the group's ability to pay dividends, repurchase stock, or make other restricted payments. In each case, the covenants set forth above are subject to customary and negotiated exceptions and exclusions.

The Credit Facility includes a financial covenant, based in a minimum level of consolidated Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA"), which is required to be measured on a quarterly basis. The covenant threshold increases throughout the term of the facility. For minimum Consolidated EBITDA, beginning with the fiscal quarter ending March 31, 2018, the group shall not permit Consolidated EBITDA for any trailing twelve-month period ending on the last day of any fiscal quarter set forth below to be less than the following amount indicated below (the "Minimum Consolidated EBITDA"):

Period	Minimum Consolidated EBITDA
Each fiscal quarter in the fiscal year 2018	\$ 14,235,000
Each fiscal quarter in the fiscal year 2019	\$ 16,538,000
Each fiscal quarter in the fiscal year 2020	\$ 17,364,000
Each fiscal quarter in the fiscal year 2021	\$ 18,233,000

With respect to these covenant compliance calculations, minimum consolidated EBITDA is generally computed as consolidated net income (loss) plus income tax expense (benefit), interest expense, depreciation and amortization, stock-based compensation expense, and certain non-cash charges less extraordinary gains and certain other non-cash gains.

The Credit Facility also contains usual and customary events of default (subject to certain threshold amounts and grace periods). If an event of default occurs and is continuing, the group may be required to repay the obligations under the Credit Facility prior to the Credit Facility's stated maturity and the related commitments may be terminated.



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 and 2018 (continued)

15 Trade and other receivables	2019	2018
	\$'000	\$'000
Current:		
Trade receivables	4,816	7,196
Unbilled revenue	26,994	11,996
	<u>31,810</u>	<u>19,192</u>
Nominal value of trade receivables	31,810	19,192
Allowance for expected credit losses	(100)	-
	<u>31,710</u>	<u>19,192</u>
Carrying value of trade receivables	31,710	19,192
Current:		
Other receivables	2,480	2,868
	<u>34,190</u>	<u>22,060</u>
Total trade and other receivables	34,190	22,060

The carrying value of trade and other receivables classified as loans and receivables approximates their fair value.

16 Unbilled receivables and prepaid customers

The opening and closing balances of the Company's unbilled receivables and prepaid customers are as follows:

	Unbilled Receivables 2019 \$'000	Unbilled Receivables 2018 \$'000	Prepaid customers 2019 \$'000	Prepaid customers 2018 \$'000
Beginning Balance	11,996	6,495	3,015	4,151
Transfers from unbilled receivables to accounts receivables	7,741	5,300	-	-
Amounts included in Prepaid customers recognized	-	-	948	2,513
Excess revenue recognized over cash	22,362	10,801	-	-
Cash received in advance of performance	-	-	1,055	1,377
	<u>26,617</u>	<u>11,996</u>	<u>3,122</u>	<u>3,015</u>
Ending Balance	26,617	11,996	3,122	3,015

Unbilled receivables are included within "trade and other receivables" on the face of the statement of financial position. Unbilled receivables and prepaid customers arise from license and royalty, development services, and maintenance and support services contracts that can take a few periods to complete, because cumulative payments received from customers at each balance sheet date do not necessarily equal the amount of revenue recognized on the contracts.



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 and 2018 (continued)

17 Share capital and shareholder information

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the General Meeting.

The share capital consists of 300 shares at a total of TUSD 368.

Ownership structure

Name	Shares	Nominal value (NOK)	Owner's share	Voting share
Last Lion Holdings Ltd.	300	10,000	100%	100%

18 Trade and other payables

	Group 2019 \$'000	Group 2018 \$'000
Current:		
Accounts payables	532	788
Income tax payable	4,912	2,208
Other tax and social security	423	261
Accruals	836	1,132
Bonus and commissions	1,813	1,525
Deferred revenue	3,416	3,407
Lease liability - current	2,503	-
Other creditor	231	516
Total trade and other payables	14,666	9,837

The directors consider that the carrying amount of trade and other payables approximates their fair value. The other creditor balance relates to an obligation to a third party associated with the Transaction.



Last Lion Holdco AS

Notes forming part of the financial statements for the periods ended 31 December 2019 and 2018 (continued)

19 Effects of changes in accounting policies

The Group adopted IFRS 16 with a transition date of 1 January 2019. The Group has chosen not to restate comparatives on adoption and therefore, the revised requirements are not reflected in the prior year financial statements. Rather, these changes have been processed at the date of initial application (i.e. 1 January 2019) and recognised in the opening equity balances. Details of the impact these two standards have had are given below. Other new and amended standards and Interpretations issued by the IASB did not impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's current accounting policies.

IFRS 16 Leases

Effective 1 January 2019, IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. The Group does not have significant leasing activities acting as a lessor.

Transition Method and Practical Expedients Utilised

The Group adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 January 2019), without restatement of comparative figures. The Group elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered or changed on or after 1 January 2019.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- a) Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- b) Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date;
- c) Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application; and
- d) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application.

As a lessee, the Group previously classified leases as operating, or finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases. However, the Group has elected not to recognise right-of-use assets and lease liabilities for some leases of low value assets based on the value of the underlying asset when new or for short-term leases with a lease term of 12 months or less.



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 and 2018 (continued)

19 Effects of changes in accounting policies (continued)

On adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities as follows:

Classification under IAS 17	Right-of-use assets	Lease liabilities
Operating leases	<p>Office space: Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.</p> <p>All other: the carrying value that would have resulted from IFRS 16 being applied from the commencement date of the leases, subject to the practical expedients noted above.</p>	<p>Measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 January 2019.</p> <p>The Group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 7.0%.</p>

The following table presents the impact of adopting IFRS 16 on the statement of financial position as at 1 January 2019:

	Adjustments	31 December 2018 As originally presented In \$000s	IFRS 16 In \$000s	1 January 2019 In \$000s
Assets				
Right-of-use assets	(a)	-	\$4,337	\$4,337
Deferred tax assets	(b)	-	-	-
Liabilities				
Lease liabilities	(c)	-	\$4,337	\$4,337
Equity				
Retained earnings	(d)	-	-	-

(a) Right-of-use assets was adjusted (created) to recognize the operating type leases as an asset on the balance sheet.

(b) Deferred tax assets were adjusted to reflect the tax effect of the other adjustments recorded.

(c) The following table reconciles the minimum lease commitments disclosed in the Group's 31 December 2018 annual financial statements to the amount of lease liabilities recognised on 1 January 2019:

	1 January 2019 In \$000s
Minimum operating lease commitment at 31 December 2018	\$5,155
Less: short-term leases not recognised under IFRS 16	-
Less: low value leases not recognised under IFRS 16	-
Plus: effect of extension options reasonably certain to be exercised	-
Undiscounted lease payments	\$5,155
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	\$818
Lease liabilities for leases classified as operating type under IAS 17	\$4,337
Plus: leases previously classified as finance type under IAS 17	-
Lease liability as at 1 January 2019	\$4,337

(b) Deferred tax assets were adjusted to reflect the tax effect of the other adjustments recorded.



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 and 2018 (continued)

19 Effects of changes in accounting policies (continued)

	Right of Use Asset	Lease Liability – Non-Current	Lease Liability, Current
Balance as of 1 January 2019	4,337	-	4,337
Depreciation of Right-of-Use Asset Profit	(1,138)	-	-
Decrease in Lease Liability		-	(890)
Reclass to Current Lease Liability	-	944	(944)
Balance as of 31 December 2019	3,199	944	2,503

20 Other non-current liabilities

	2019 \$'000	2018 \$'000
Loan from Last Lion Holdings, Ltd.*	22,011	23,243
Accumulated interest on loan	1,823	1,173
Operating lease liabilities	944	-
Other non-current liabilities**	5,178	5,085
Total Other non-current liabilities	29,958	29,501

*Loan from Last Lion Holdings, Ltd. shall be due and payable upon notice requiring payments from Last Lion Holdings Ltd.

**Other non-current liabilities are due upon the earlier of a change in control event or surplus in cashflow allowing for settlement.



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2019 and 2018 (continued)

21 Related Parties

The following companies are considered as a related parties to the Company:

Company	Relation
Moore Frères & Company	63.16% ownership in Last Lion Holdings Ltd.
Otello Corporation ASA	27.07% ownership in Last Lion Holdings Ltd.
Ikgai Pursuits AS / Management	9.77% ownership in Last Lion Holdings Ltd.
Last Lion Holdings Ltd.	100% ownership in Last Lion Holdco AS

Details of directors' remuneration are given in note 5.

Related party transactions are as follows:

Related party relationship	Type of transaction	Transaction amount	Balance owed
		2019 \$'000	2019 \$'000
Last Lion Holdings Ltd.	Loan	568	24,416

The Group has not made any allowance for bad or doubtful debts in respect of related party debtors nor has any guarantee been given or received during 2019 regarding related party transactions.

Transactions with key management personnel

The Company has not provided any loans to directors or Executive Team members as of December 31, 2019. Compensation for Executive Team members can be found in note 5.

Transactions with Last Lion Holdings Ltd.

The interest rate is based on a three months NIBOR plus 130 basis points(1,3 %)

22 Contingent liabilities

The Company is named in various claims and actions in normal course of its activities. Based upon counsel and management's opinion, the outcomes of such matters are not expected to have a material adverse effect on the financial position, or in change in net assets of the corporation.

23 Events after the reporting date

It is too early to determine the full economic impact of the Covid-19 virus on the business. To ensure working capital levels are sustained at the current levels, the Company has amended its Credit Facility to mitigate any unanticipated decline and improve any unforeseen working capital limitations Covid-19 may cause.

On April 20, 2020, the Company executed Amendment number 2 to the Credit Facility. Amendment number 2 deletes the definitions of the Required Reserve, adjusts covenant compliance calculations, requires additional financial reporting, and allows for PIK Interest election of 50% of the 12.0% per annum rate for the periods April 1, 2020 through and including June 30, 2020.



Last Lion Holdco AS

Report and Financial Statements

Periods Ended

31 December 2019 & 2018



Last Lion Holdco AS

Report and financial statements
for the periods ended 31 December 2019 and 2018

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Last Lion Holdco AS for the periods ended 31 December 2019 and 2018

Nature of the business activities and where these are conducted

Last Lion Holdco AS is the parent company of the Last Lion Holdco Group, with business mainly in Norway. Last Lion Holdco AS is headquartered in Oslo, Norway. The company was established in 2016 as a result of a carve-out acquisition of Vewd Software AS from its parent Otello Corporation ("Transaction").

Analysis of the annual accounts and key risks and uncertainties

In 2019, Last Lion Holdco AS did not have operating revenue. In 2019 other operating expenses increased 0.2 MUSD due to increased audit and advisory costs.

Net Working Capital ("NWC") at 31 December 2019 was (1.8) MUSD. Our NWC definition includes bank deposits, cash, and cash equivalents, other current receivables, less accounts payable, and other current liabilities. NWC fluctuates at times because of the intercompany activities between the Company and other Last Lion Holdco Group companies.

Cash Flows

In 2019, operating activities resulted in an increase of 10.9 MUSD in cash as a result of loss before income taxes of (9.4) MUSD, increased by 10.7 MUSD for interest and finance costs and by 9.6 MUSD in changes in other receivables and payables.

Research and Development

In 2019, Last Lion Holdco AS did not incur any costs related to research and development.

Business outlook

Last Lion Holdco AS will continue as the holding company for Last Lion Holdco Group and its credit agreement with Wilmington Trust associated with funding the Transaction. The Company does not generate revenue or have any employees. It is too early to determine the economic impact of the Covid-19 virus on the business, but it could have a material adverse impact on our results.

Financial risk

Financial and credit risk is deemed to be low, as the Company acts as a holding company for Last Lion Holdco Group and its credit agreement with Wilmington Trust associated with funding the Transaction. The Company does not generate revenue or have any employees.

Going concern

The Board of Directors and the General Manager confirm that the going concern assumption has been applied in preparing the annual accounts. The parent company and the group have been characterised by favorable sales developments and adequate equity for several years and are well placed to continue such positive developments.

Equal opportunities

The personnel policy of the company is deemed to be gender neutral in all respects. We are of the view that equal opportunities issues have been adequately accommodated, and no specific measures have been initiated or planned with regard thereto. No feedback has been received to the effect that the personnel policy of the company is considered to discriminate on the basis of gender.

Non-discrimination and accessibility

We believe that no differential treatment of employees, or upon recruitment, takes place on the basis of ethnicity, national origin, extraction, color, language, religion or faith.



Last Lion Holdco AS
for the periods ended 31 December 2019 and 2018

External environment

It is the Board of Directors' opinion that the external environment is not particularly risky but affected by Vewd's activities and economic risk.

Subsequent Events

It is too early to determine the full economic impact of the Covid-19 virus on the business. To ensure working capital levels are sustained at the current levels, the Company has amended its Credit Facility to mitigate any unanticipated decline and improve any unforeseen working capital limitations Covid-19 may cause. See additional details associated with the Credit Facility Amendment at Footnote 9 Events after the reporting date.

Oslo, 22 April 2020

Martez Romondo Moore
Chairman of the board

Aneesh Rajaram
Chief executive officer/member of the board



Last Lion Holdco AS for the periods ended 31 December 2019 and 2018

Statements of comprehensive income

	Note	2019 \$'000	2018 \$'000
Continuing operations			
Revenue		-	-
Depreciation and amortization		-	-
Other operating expenses	3	663	364
Total Operating expenses		(663)	(364)
Profit (loss) from operations		(663)	(364)
Interest expense	4	11,155	11,560
Financial income	4	2,793	8,575
Profit (Loss) before income tax		(9,025)	(3,349)
Income tax expense	5	(335)	-
Profit (loss) for the period		(9,360)	(3,349)
Other comprehensive income (loss):			
Items that may or will be transferred to profit (loss)			
Foreign currency translation (loss) gain		(843)	354
Total comprehensive income (loss)		(10,202)	(2,995)



Last Lion Holdco AS for the periods ended 31 December 2019 and 2018

Statements of financial position

	Note	31 December 2019 \$'000	31 December 2018 \$'000
Assets			
Non-current assets			
Shares in subsidiaries	8	98,960	98,960
Total non-current assets		98,960	98,961
Current assets			
Other receivables		3,119	5,340
Cash and cash equivalents		3,097	3,274
Total current assets		6,216	8,615
Total assets		105,176	107,576
Shareholders' equity			
Share capital	6	368	368
Other paid in equity		4,636	4,636
Retained Earnings and other reserves		(22,188)	(11,984)
Total equity		(17,184)	(6,980)
Non-current liabilities			
Loans and borrowings	4	85,530	85,100
Other non-current liabilities	7	28,849	29,430
Total non-current liabilities		114,379	114,530
Current liabilities			
Accounts payables	7	7,931	11
Other current liabilities		50	15
Total current liabilities		7,981	26
Total liabilities		122,360	114,556
Total equity and liabilities		105,176	107,576

The financial statements were approved and authorised for issue by the Board of Directors on 22 April 2020 and were signed on its behalf by:

Oslo, 22 April 2020

Martez R. Moore

Martez Romondo Moore
Chairman of the board

Aneesh Rajaram

Aneesh Rajaram
Chief executive officer/member of the board

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Last Lion Holdco AS
for the periods ended 31 December 2019 and 2018

Statements of changes in equity	Share capital	Other paid in equity	Retained Earnings (restated)	Total equity
Balance as of 1 January 2018	368	4,636	(8,989)	(3,985)
Comprehensive income for the period				
Profit	-	-	(3,349)	(3,349)
Other comprehensive income				
Foreign currency translation difference	-	-	354	354
Total comprehensive income for the period	-	-	(2,995)	(2,995)
Balance as of 31 December 2018	368	4,636	(11,984)	(6,980)
Comprehensive income for the period				
Profit (loss)	-	-	(9,360)	(9,360)
Other comprehensive income				
Foreign currency translation difference	-	-	(843)	(843)
Total comprehensive income for the period	-	-	(10,203)	(10,203)
Contributions by and distribution to owners				
Dividends	-	-	-	-
Issuance of shares	-	-	-	-
Share based transactions	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-
Other Changes	-	-	-	-
Balance as of 31 December 2019	368	4,636	(22,188)	(17,184)



Last Lion Holdco AS
for the periods ended 31 December 2019 and 2018

Statements of cash flows	Note	2019	2018
		\$'000	\$'000
Cash flows from operating activities			
Profit (loss) for the year		(9,360)	(3,349)
Net finance, excluding group contribution	4	10,725	11,130
Changes other receivables		2,221	6,398
Changes in accounts payable		7,920	7
Changes in other current liabilities		(529)	(3,513)
		<hr/>	<hr/>
Cash generated from operations		10,977	10,674
Investing activities			
Purchases of subsidiaries and associated companies, net of cash acquired		-	-
		<hr/>	<hr/>
Net cash flow from investing activities		-	-
		<hr/>	<hr/>
Financing activities			
Paid Interest	4	(11,155)	(10,531)
		<hr/>	<hr/>
Net cash flow from financing activities		(11,155)	(10,531)
		<hr/>	<hr/>
Net increase in cash and cash equivalents		(177)	143
Cash and cash equivalents at beginning of period		3,274	3,131
		<hr/>	<hr/>
Cash and cash equivalents at end of period		3,097	3,274



Last Lion Holdco AS for the periods ended 31 December 2019 and 2018

1 Accounting policies

General information

Last Lion Holdco AS (the "Company") is a company domiciled in Norway. The Company's principal offices are located at Fridtjof Nansens plass 5, Oslo, Norway.

Last Lion Holdco AS is the parent company of the Last Lion Holdco Group, with business mainly in Norway.

The financial statements for the company Last Lion Holdco AS have been prepared and presented in accordance with simplified IFRS pursuant to § 3-9 in the Norwegian Accounting Act. For the accounting principles used to prepare and present the financial statements refer to note 1 Accounting principles in the Group financial statement.

Shares in subsidiaries

Subsidiaries are all entities controlled, either directly or indirectly, by Last Lion Holdco AS. Last Lion Holdco AS controls an entity when it is exposed to, or has rights to, variable returns from the involvement with the entity and has the ability to affect those returns through power over the entity. Power over an entity exists when Last Lion Holdco AS has power to direct the activities in which significantly affect the entity's returns. Generally, there is a presumption that a majority of voting rights result in control. Last Lion Holdco AS considers all relevant facts and circumstances in assessing whether control exist, including contractual arrangements and other potential voting rights to the extent that these are substantive.

Shares are classified as investment in subsidiaries from the date Last Lion Holdco AS effectively obtains control of the subsidiary (acquisition date).

Shares are measured at cost, and impairment loss is recognized if the carrying amount exceeds the recoverable amount. The impairment is reversed if the basis for the write-down is no longer present.

Group contributions received are included in financial income provided that it does not represent a repayment of capital invested. Group contributions that represent a repayment of capital are accounted for as a reduction in the cost of investments. Net group contributions payable (gross group contributions less tax effect) are accounted for as cost of investments in subsidiaries. Dividends from subsidiaries are included in financial income if not otherwise is stated in notes.

Income Tax

Income tax on the profit or loss for the year is comprised of current and deferred taxes. Income tax is recognized in the statement of comprehensive income, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect for previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax asset is only recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend. Taxes paid abroad for the Company will be deducted in Norwegian taxes if the Company has taxes payable in Norway. If the Company has no Norwegian taxes payable, the taxes paid abroad will be carried forward as deductible in future tax payments.



Last Lion Holdco AS
for the periods ended 31 December 2019 and 2018

1 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The Wilmington Trust Credit agreement requires the Company to maintain a reserve amount equal to the aggregate amount of cash interest payable on the loans of the following four interest payments. The Company maintained \$3.1 million of reserve as of December 31, 2019 associated with this restricted cash.

Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments are comprised of, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables. Non-derivative financial instruments are initially measured at fair value without transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Trade and other receivables

Trade and other receivables are recognized at their cost less allowance for bad debt.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to functional currency at the foreign exchange rate prevailing on that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income. Non-monetary assets are translated using the exchange rate prevailing on the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies recognized at fair value are translated to USD at foreign exchange rates prevailing on the date the fair value was determined.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from consolidation, are translated to USD at foreign exchange rates prevailing on the balance sheet date. Revenues and expenses of foreign operations are translated to USD using the approximate foreign exchange rates prevailing at the transaction date.

Simplifications

Group contribution and dividends are recognized according to the Norwegian Account Act. In this relation IAS 10 no. 12 and 13, IAS 18 no. 30 and IFRIC 17 no. 10 are amended in order to display this year's proposed group contribution in the financial statements.



Last Lion Holdco AS
for the periods ended 31 December 2019 and 2018

2 Payroll and related expenses

Salaries

The Company has no employees and has not had any salary costs in 2019 and 2018, respectively. The CEO of Last Lion Holdco AS is employed in, and receives his salary from the subsidiary, Vewd Software AS.

For more information, see note 5 in the Group financial statement.

Remuneration to auditors

	2019	2018
	\$'000	\$'000
Statutory audit	73	163
Tax advice	-	-
Other services	-	14
	<hr/>	<hr/>
Total	73	177
	<hr/> <hr/>	<hr/> <hr/>

3 Other operating expenses

	2019	2018
	\$'000	\$'000
Audit legal and advisory services	611	339
Travel and other expenses	52	19
Bank fee	-	5
	<hr/>	<hr/>
Total	663	363
	<hr/> <hr/>	<hr/> <hr/>

4 Financial Income and expenses

Financial Income	2019	2018
	\$'000	\$'000
Other Income interest	2,363	8,145
Accretion of long-term borrowings*	430	430
Foreign exchange gain	-	-
	<hr/>	<hr/>
Total	2,793	8,575
	<hr/> <hr/>	<hr/> <hr/>
Financial Expenses	2019	2018
	\$'000	\$'000
Income expense on long term borrowing*	11,155	11,560
Foreign exchange losses	-	-
	<hr/>	<hr/>
Total	11,155	11,560
	<hr/> <hr/>	<hr/> <hr/>
Net financial items	8,362	2,985
	<hr/> <hr/>	<hr/> <hr/>

* Refer to note 14 in the Group consolidated financial statement for further information about the long-term borrowing.



Last Lion Holdco AS
for the periods ended 31 December 2019 and 2018

5 Income tax		31 December 2019 \$'000	31 December 2018 \$'000	
Analysis of tax expense				
Current tax – income tax		-	-	
Income tax - too little allocated in prior years		(335)	-	
Change in deferred tax/tax liabilities		-	-	
Tax expense / income		<u>335</u>	<u>-</u>	
Changes in net deferred tax assets/liabilities	2019	2018		Change
<i>Movement in temporary differences during the period</i>	\$'000	\$'000		
Tangible and intangible assets	-	-		-
Long term loans in foreign currency	1,187	6,076		(4,889)
Accounts Receivable	-	-		-
Interest limitation carry forward (not recognized as deferred tax)	11,786	526		11,260
Loss carried forward	(9)	(1,568)		1,559
Changes in temporary difference due to refiling of tax papers	-	-		-
Tax expense / income	<u>12,964</u>	<u>5,035</u>		<u>7,930</u>
Reconciliation of effective tax rate:	2019	2018		
	\$'000	\$'000		
Profit before tax	(9,025)	(3,349)		
Effective tax rate	<u>3.7%</u>	<u>0%</u>		
Profit before tax	<u>(9,025)</u>	<u>(3,349)</u>		
Expected tax expense at 22% / 23%	(1,985)	(770)		
Non-deductible expenses / permanent diff.	1,985	770		
Tax effects Group contribution	-	-		
Other changes*	(335)	-		
Income tax expense/income	<u>(335)</u>	<u>-</u>		

*The income tax is related to refiling of the tax papers of 2016 and 2017.

Last Lion Holdco AS has received group contribution of TUSD 3,223 from Vewd Software AS. According to simplifies IFRS the group contribution is recorded as finance income due to the fact that Last Lion Holdco AS is the parent company of Vewd Software AS. This has in the FY of 2019 reduced the negative profit before in tax. Based on that, it will not be relevant to include any tax effect of group contribution in the table above. Approximately TUSD 615 is related to increased group contribution due to refiling the 2018 tax papers.

Last Lion Holdco AS has a tax carry forward of TUSD 9 at the end of 2019.



Last Lion Holdco AS
for the periods ended 31 December 2019 and 2018

6 Share capital and shareholder information

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the General Meeting.

The share capital consists of 300 shares at a total of TUSD 368.

Ownership structure

Name	Shares	Nominal value (NOK)	Owner's share	Voting share
Last Lion Holdings Ltd.	300	10,000	100%	100%

7 Related parties

The following companies are considered as a related parties to the Company:

Company	Relation			
Moore Frères & Company	63.16% ownership in Last Lion Holdings Ltd.			
Otello Corporation ASA	27.07% ownership in Last Lion Holdings Ltd.			
Ikgai Pursuits AS / Management	9.77% ownership in Last Lion Holdings Ltd.			
Last Lion Holdings Ltd.	100% ownership in Last Lion Holdco AS			
Vewd Software AS	100% owned subsidiary			

Company	Moore Freres & Company	Last Lion Holdings Ltd.	Vewd Software AS	SUM
Expenses	-	-	-	-
Interest	-	(650)	-	(650)
Group contribution received	-	-	2,379	2,379
Net Result	-	(650)	2,379	1,729
Balance at 31.12.19				
Other non-current receivables	-	-	-	-
Current receivables	-	65	44	109
Other Non-current liabilities*	-	23,834	-	23,834
Current liabilities	-	-	7,920	7,920

Transactions with key management personnel

The Company has not provided any loans to directors or Executive Team members as of December 31, 2019. Compensation for Executive Team members can be found in note 2.

Transactions with Last Lion Holdings Ltd.

The interest rate is based on a three months NIBOR plus 130 basis points (1,3 %)

* Refer to note 20 in the Group consolidated financial statement for further information about the current and other non-current liabilities.



Last Lion Holdco AS
for the periods ended 31 December 2019 and 2018

8 Subsidiaries

The principal subsidiaries of Last Lion Holdco AS are as follows:

Name	Country of Inc.	Portion of interest at 31.12.2018	Book Value	Equity at 31.12.2018	Net result at 31.12.2018
Vewd Software AS (including Taiwan branch)	Norway	100%	98,960	\$21,594	\$13,106

Name	Country of Inc.	Portion of interest at 31.12.2019	Book Value	Equity at 31.12.2019	Net result at 31.12.2019
Vewd Software AS (including Taiwan branch)	Norway	100%	98,960	\$39,793	\$20,792

9 Events after the reporting date

On April 20, 2020, the Company executed Amendment number 2 to the Credit Facility. Amendment number 2 deletes the definitions of the Required Reserve, adjusts covenant compliance calculations, requires additional financial reporting and allows for PIK Interest election of 50% of the 12.0% per annum rate for the periods April 1, 2020 through and including June 30, 2020.



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Independent Auditor's Report

To the General Meeting in Last Lion Holdco AS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Last Lion Holdco AS.

The financial statements comprise:

- The financial statements of the parent company, which comprise the balance sheet as at 31 December 2019, income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- The financial statements of the group, which comprise the balance sheet as at 31 December 2019, and income statement, statement of comprehensive income, statement of changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements are prepared in accordance with the law and regulations.
- The accompanying financial statements give a true and fair view of the financial position of Last Lion Holdco AS as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act.
- The accompanying financial statements give a true and fair view of the financial position of the group Last Lion Holdco AS as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group as required by laws and regulations, 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.

Other information

Management is responsible for the other information. The other information comprises the Board of Directors' report and other information in the Annual Report, but does not include the financial statements and our auditor's report thereon.



Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation and fair presentation of the financial statements for the parent company in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and for the preparation of the group in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or Group 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 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.

For further description of Auditor's Responsibilities for the Audit of the Financial Statements reference is made to:

<https://revisorforeningen.no/revisjonsberetninger>

Report on Other Legal and Regulatory Requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Board of Directors' report the Board of Directors' report concerning the financial statements and the going concern assumption is consistent with the financial statements and complies with the law and regulations.



Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's and the Group's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Oslo, 23 April 2020

BDO AS

Yngve Gjethammer

State Authorised Public Accountant