



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2018 - 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:	01.01.2018 - 31.12.2018
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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:	23.04.2019

Grunnlag for avgivelse

År 2018: Årsregnskapet er elektronisk innlevert

År 2017: Tall er hentet fra elektronisk innlevert årsregnskap fra 2018

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, 02.11.2020



Resultatregnskap

Beløp i: USD	Note	2018	2017
RESULTATREGNSKAP			
Kostnader			
Depreciation and amortization		0	0
Other operating expenses	2,3	364 000	553 000
Sum kostnader		364 000	553 000
Driftsresultat		-364 000	-553 000
Finansinntekter og finanskostnader			
Financial Income	4,6	8 575 000	11 261 000
Sum finansinntekter		8 575 000	11 261 000
Inteeres expense	4	11 560 000	11 742 000
Sum finanskostnader		11 560 000	11 742 000
Netto finans		-2 985 000	-481 000
Ordinært resultat før skattekostnad		-3 349 000	-1 034 000
Income tax expense	5	0	-1 000
Ordinært resultat etter skattekostnad		-3 349 000	-1 033 000
Årsresultat		-3 349 000	-1 033 000
Foreign currency translation gain		354 000	0
Sum resultatkomponenter for IFRS-foretak		354 000	0
Totalresultat		-2 995 000	-1 033 000
Overføringer og disponeringer			
Sum overføringer og disponeringer			0



Balanse

Beløp i: USD	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	5	0	1 000
Sum immaterielle eiendeler		0	1 000
Finansielle anleggsmidler			
Investering i datterselskap	8	98 960 000	98 960 000
Other non-current receivables	6	0	0
Sum finansielle anleggsmidler		98 960 000	98 960 000
Sum anleggsmidler		98 960 000	98 961 000
Omløpsmidler			
Varer			
Fordringer			
Other receivables	6	5 340 000	11 734 000
Sum fordringer		5 340 000	11 734 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents		3 274 000	3 131 000
Sum bankinnskudd, kontanter og lignende		3 274 000	3 131 000
Sum omløpsmidler		8 614 000	14 865 000
SUM EIENDELER		107 574 000	113 826 000
BALANSE - EGENKAPITAL OG GJELD			
Egenkapital			
Innskutt egenkapital			
Share capital	7	368 000	368 000
Annen innskutt egenkapital		4 636 000	4 636 000
Sum innskutt egenkapital		5 004 000	5 004 000



Balanse

Beløp i: USD	Note	2018	2017
Opptjent egenkapital			
Retained earnings and other reserves		-11 984 000	-8 989 000
Sum opptjent egenkapital		-11 984 000	-8 989 000
Sum egenkapital		-6 980 000	-3 985 000
Gjeld			
Langsiktig gjeld			
Annen langsiktig gjeld			
Loans and borrowings	4	85 100 000	84 670 000
Other non-current liabilities	6	29 430 000	24 195 000
Sum annen langsiktig gjeld		114 530 000	108 865 000
Sum langsiktig gjeld		114 530 000	108 865 000
Kortsiktig gjeld			
Leverandørgjeld		11 000	4 000
Other current liabilities	6	15 000	8 944 000
Sum kortsiktig gjeld		26 000	8 948 000
Sum gjeld		114 556 000	117 813 000
SUM EGENKAPITAL OG GJELD		107 576 000	113 828 000



Konsernets resultatregnskap

Beløp i: USD	Note	2018	2017
RESULTATREGNSKAP			
Inntekter			
Revenue	4	38 504 000	39 952 000
Sum inntekter		38 504 000	39 952 000
Kostnader			
Payroll and related expenses	5	13 493 000	13 158 000
Depreciation and amortization	10,11, 12	6 158 000	6 176 000
Other operating expenses	7	6 546 000	6 583 000
Sum kostnader		26 197 000	25 917 000
Driftsresultat		12 307 000	14 035 000
Finansinntekter og finanskostnader			
Financial income	6	1 572 000	1 325 000
Sum finansinntekter		1 572 000	1 325 000
Financial expense	6	13 598 000	11 831 000
Sum finanskostnader		13 598 000	11 831 000
Netto finans		-12 026 000	-10 506 000
Ordinært resultat før skattekostnad			
Tax expense	8	704 000	348 000
Ordinært resultat etter skattekostnad		-423 000	3 181 000
Exchange (loss) gains arising on translation of foreign operations		0	178 000
Årsresultat		-423 000	3 359 000



Konsernets balanse

Beløp i: USD	Note	2018	2017
BALANSE - EIENDELER			
Anleggsmidler			
Immaterielle eiendeler			
Utsatt skattefordel	8	506 000	820 000
Goodwill	9	76 955 000	76 955 000
Intangible assets	10,11	21 082 000	22 721 000
Sum immaterielle eiendeler		98 543 000	100 496 000
Varige driftsmidler			
Property and equipment	12	1 156 000	1 265 000
Other non-current assets		424 000	136 000
Sum varige driftsmidler		1 580 000	1 401 000
Sum anleggsmidler		100 123 000	101 897 000
Omløpsmidler			
Varer			
Fordringer			
Trade and other receivables	15,16	19 192 000	12 640 000
Othr receivables	8,15	2 868 000	651 000
Sum fordringer		22 060 000	13 291 000
Bankinnskudd, kontanter og lignende			
Cash and cash equivalents	17	9 484 000	12 439 000
Sum bankinnskudd, kontanter og lignende		9 484 000	12 439 000
Sum omløpsmidler		31 544 000	25 730 000
SUM EIENDELER		131 667 000	127 627 000

BALANSE - EGENKAPITAL OG GJELD

Egenkapital

Innskutt egenkapital



Konsernets balanse

Beløp i: USD	Note	2018	2017
Share capital	18	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		-1 331 000	-4 588 000
Sum opptjent egenkapital		-1 331 000	-4 588 000
Sum egenkapital		3 673 000	416 000
Gjeld			
Langsiktig gjeld			
Utsatt skatt	8	3 556 000	5 013 000
Sum avsetninger for forpliktelser		3 556 000	5 013 000
Annen langsiktig gjeld			
Gjeld til kredittinstitusjoner	14	85 100 000	84 670 000
Other non-current liabilities	21	29 501 000	24 282 000
Sum annen langsiktig gjeld		114 601 000	108 952 000
Sum langsiktig gjeld		118 157 000	113 965 000
Kortsiktig gjeld			
Leverandørgjeld	19	788 000	2 134 000
Taxes payable	8,19	2 208 000	0
Public duties payable	19	261 000	519 000
Deferred revenue	16,19	3 407 000	4 151 000
Other current liabilities and accruals	19	3 173 000	6 448 000
Sum kortsiktig gjeld		9 837 000	13 252 000
Sum gjeld		127 994 000	127 217 000
SUM EGENKAPITAL OG GJELD		131 667 000	127 633 000



Skattedirektoratet

Saksbehandler	Deres dato	Vår dato
Jeanette Munkvold Skovholt	15.03.2017	30.03.2017
Telefon	Deres referanse	Vår referanse
90076012	Einar Søsnes	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

Postadresse	Besøksadresse:	Sentralbord
Postboks 9200 Grønland	Se www.skatteetaten.no	800 80 000
0134 Oslo	Org.nr: 996250318	Telefaks
	E-post:	22 17 08 60
	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 Vikå
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 2018, 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 2018, 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 2018, 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 2018, 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 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 2019
BDO AS

Yngve Gjethammer
State Authorised Public Accountant



Last Lion Holdco AS Consolidated

Report and Financial Statements

Period Ended

31 December 2018 & 2017



Last Lion Holdco AS

Report and financial statements for the period ended 31 December 2018

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Last Lion Holdco AS

Board of directors' report for the period ended 31 December 2018

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. 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

Note: The Group was established in December 19, 2016 in part by a carve-out and drop-down merger ("Transaction") from its parent Otello Corporation ("Parent"), as such there was only 12 days of business activity conducted in 2016.

In 2018, operating income decreased 1.5 MUSD, this was primarily associated with the adoption of IFRS 15 Revenue from Contracts with Customers. Had the company continued to report in accordance with IAS 18 Revenue for the year ended December 2018, operating income increased 1.3 MUSD due to license revenue gains with several key clients and unit demand growth for Software Development Kit ("SDK") technology. With Vewd Software's SDK software, device manufacturers and operators are able to 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 2018, payroll expenses increased 0.3 MUSD due to headcount and average salary increases of 2.5%. Total FTEs at 31 December, 2018 was 220. Staffing levels were raised slightly in 2018 due to increased demand, expansion of the finance department, and planned geographic market expansions.



Last Lion Holdco AS

Board of directors' report (*continued*) for the period ended 31 December 2018

In 2018, other operating expenses remained flat when compared to 2017.

Net Working Capital ("NWC") at 31 December 2018 was 21.7 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 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 2018, operating activities generated 9.5 MUSD in cash as a result of profit before income taxes of 0.1 MUSD, increased by 12 MUSD in net finance cost, 3.7 MUSD net implementation effect of IRS 15, 6.2 MUSD in depreciation and amortization offset by 9.8 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 of 9.1 MUSD and accounts trade debtors of 1.3 MUSD and increase in other current liabilities of 0.6 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 2018. The Group invests between 15 to 21% of sales in research and development. In 2018, 7.3 MUSD was invested at the Group level, which is 18.9 % of sales of own products at the Group level. Vewd Software AS (Subsidiary of the Group) also applied for Skattefunn in 2017 & 2018 for a budget that was based on internal cost (personnel costs) and purchase of services and goods from subsidiaries totalling 6.2 MUSD and 7.2 MUSD, respectively.



Last Lion Holdco Group

Board of directors' report for the period ended 31 December 2018

Financial Risk

Financial risk in the Group is primarily related to exchange rate fluctuations. Approximately, 46% 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 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 2018 was 9.5 MUSD compared to a current liabilities balance of 9.8 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

357 days off sick were registered in the Group in 2018. 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 2018. 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 on the basis of 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 2019 Vewd will continue to focus on diversity. The current percentage of women amongst the employees is 13% and there are no female board members. In 2019, 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 on the basis of 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.

Oslo, 23 April 2019.



Martez Romondo Moore
Chairman of the board



Aneesh Rajaram
Chief executive officer/member of the board



Last Lion Holdco AS

Consolidated statement of profit or loss and other comprehensive income for the period ended 31 December 2018 and 2017

	Note	2018 \$'000	2017 \$'000
Continuing operations			
Revenue	4	38,504	39,952
Payroll and related expenses	5	(13,493)	(13,158)
Depreciation and amortisation	10,11,12	(6,158)	(6,176)
Other operating expenses	7	(6,546)	(6,583)
Total Operating expenses		(26,197)	(25,917)
Profit from operations		12,307	14,035
Financial expense	6	(13,598)	(11,831)
Financial income	6	1,572	1,325
Profit before tax		281	3,529
Tax expense	8	(704)	(348)
Profit for the period		(423)	3,181
Other comprehensive income (loss):			
Items that may or will be transferred to profit			
Exchange (loss) gains arising on translation of foreign operations		-	178
Total comprehensive income (loss)		(423)	3,359

The notes on page 9 to 34 form part of these financial statements.



Last Lion Holdco AS

Consolidated statement of financial position for the periods ending 31 December 2018 and 2017

	Note	31 December 2018 \$'000	31 December 2017 \$'000
Assets			
Non-current assets			
Goodwill	9	76,955	76,955
Intangible assets	10,11	21,082	22,721
Property and equipment	12	1,156	1,265
Other non-current assets		424	136
Deferred tax assets	8	506	820
Total non-current assets		100,123	101,897
Current assets			
Trade and other receivables	15,16	19,192	12,640
Other receivables	8, 15	2,868	651
Cash and cash equivalents	17	9,484	12,439
Total current assets		31,544	25,730
Total assets		131,667	127,627

The notes on page 9 to 34 form part of these financial statements.



Last Lion Holdco AS

Consolidated statement of financial position
for the periods ending 31 December 2018 and 2017 (continued)

	Note	31 December 2018 \$'000	31 December 2017 \$'000
Liabilities			
Non-current liabilities			
Loans and borrowings	14	85,100	84,670
Deferred tax liabilities	8	3,556	5,013
Other non-current liabilities	21	29,501	24,282
Total non-current liabilities		118,157	113,964
Current liabilities			
Accounts payables	19	788	2,134
Taxes payable	8, 19	2,208	-
Public duties payable	19	261	519
Deferred revenue	16, 19	3,407	4,151
Other current liabilities and accruals	19	3,173	6,448
Total current liabilities		9,837	13,252
Total liabilities		127,994	127,215
Equity			
Shareholders' equity			
Share capital	18	368	368
Other paid in equity		4,636	4,636
Retained Earnings and other reserves		(1,331)	(4,588)
TOTAL EQUITY		3,673	416
TOTAL EQUITY AND LIABILITIES		131,667	127,627

The financial statements were approved and authorised for issue by the Board of Directors on 10 April 2019 and were signed on its behalf by:

Oslo, 23 April 2019.

Martez Romondo Moore
Chairman of the board

Aneesh Rajaram
Chief executive officer/member of the board

The notes on page 9 to 34 form part of these financial statements.



Last Lion Holdco AS

Consolidated statement of changes in equity for the period ended 31 December 2018 and 2017

	Share capital	Other paid in equity	Retained Earnings (restated)	Total equity
Balance as of 1 January 2017	4	-	(7,947)	(7,943)
Comprehensive income for the period				
Profit	-	-	3,181	3,181
Other comprehensive income				
Foreign currency translation difference	-	-	178	178
Total comprehensive income for the period	-	-	3,359	3,359
Contributions by and distribution to owners				
Dividends	-	-	-	-
Issuance of shares	364	4,636	-	5,000
Share based transactions	-	-	-	-
Total contributions by and distributions to owners	364	4,636	-	5,000
Balance as of 31 December 2017	368	4,636	(4,588)	416
Prior year adjustment – IFRS 15 – Revenue from contracts with Customers (Note 4)			3,707	3,707
Balance at 1 January 2018	368	4,636	(881)	4,123
Comprehensive income for the period				
Profit (loss)	-	-	(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

The notes on page 9 to 34 form part of these financial statements.



Last Lion Holdco AS

Consolidated statement of cash flows for the periods ended 31 December 2018 and 2017

	Note	2018 \$'000	2017 \$'000
Cash flows from operating activities			
Profit (loss) for the year		281	3,181
Depreciation and amortization charges	10,11,12	6,158	6,176
Net finance costs	6	10,933	11,494
Decrease in trade and other receivables	15,16	(3,832)	(3,265)
Decrease in accounts payable	19	(1,346)	(4,162)
Decrease in other current liabilities	19	251	2,088
		<hr/>	<hr/>
Cash generated from operations		12,445	15,512
Interest paid		(10,562)	(9,041)
Income tax paid		353	(2,151)
		<hr/>	<hr/>
Net cash from operating activities		2,236	4,320
		<hr/>	<hr/>
Investing activities			
Purchases of property and equipment	11	(724)	(1,260)
Capitalized development costs	10	(4,187)	(989)
Purchases of associated companies, net of cash acquired		(280)	(3,063)
		<hr/>	<hr/>
Net cash used in investing activities		(5,191)	(5,312)
		<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		(2,995)	(922)
Cash and cash equivalents at beginning of period		12,439	13,431
		<hr/>	<hr/>
Cash and cash equivalents at end of period	17	9,484	12,439
		<hr/>	<hr/>

The notes on page 9 to 34 form part of these financial statements.



Last Lion Holdco AS

Notes forming part of the financial statements for the periods ended 31 December 2018 and 2017

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 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).

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 so as 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 period ended 31 December 2018 and 2017

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 a 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 periods ended 31 December 2018 and 2017 (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 periods ended 31 December 2018 and 2017 (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.

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.

Revenue Recognition

On January 1, 2018, the Company adopted guidance in IFRS 15 Revenue from Contracts with Customers, ("new revenue standard") using the modified retrospective method. The Company applied the new revenue standard to all contracts that were not completed as of January 1, 2018. Comparative information for prior periods has not been restated and continues to be reported under the accounting standards in effect for those periods. Refer to Note 4 for the detail on the impact of adoption.

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 into 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 2018 and 2017

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 nonrefundable. Generally, the customer prepays for a minimum number of copies of software. The Company receives this license fee irrespective of whether the customer actually uses or ships the number of minimum licenses. These prepaid license fees are recognized as revenue when the when 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 nonrefundable. 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, 2018, the Company has not experienced any material losses on uncompleted contracts.

Software maintenance, support and hosting is recognized ratably 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.



Last Lion Holdco AS

Notes forming part of the financial statements for the periods ended 31 December 2018 and 2017

1 Accounting policies *(continued)*

IFRS 9 Financial Instruments

The company has adopted IFRS 9 in its entirety as of 1 January 2018. The new rules have been applied retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 have not be restated. Management has performed an IFRS 9 implementation assessment related to the effect of IFRS 9 on the first quarter 2018 financial position and the other financial statements.

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. There is no material implementation impact on the financial statements related to the classification and measurement of the Company's financial assets.

Impairment

Upon implementation of IFRS 9 the Company has adopted the new impairment requirements for financial assets and made the accounting policy choice of measuring the loss allowance at the lifetime expected credit loss for accounts receivables. Management has not recognized any initial adjustment to the opening 1 January 2018 equity as financial assets taken are in stage 1 and have a low estimated probability of default.

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.

Overall implementation effect

No implementation effects related to the IFRS 9 classification, impairment and hedge accounting rule changes have affected the 1 January 2018 opening balance.



Last Lion Holdco AS

Notes forming part of the financial statements for the periods ended 31 December 2018 and 2017

New standards and interpretations not yet adopted

The Group has elected not to early-adopt any standards or interpretations that have an adoption date after the balance sheet date. Below is an overview of the most relevant new standards issued by the IASB:

IFRS 16 Leases. Mandatory effect from 1 January 2019

The new IFRS 16 eliminates the divide between operational and financial leasing and introduces a single lessee accounting model. When the new model is applied, a lessee is required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value, and to recognise depreciation of lease assets separately from interest on lease liabilities in the income statement. For the Company, this implies that current operating leases that satisfy the criteria will be recognised with assets and liabilities.

The Group holds leases related to premises. As per year-end 2018, an implementation of the standard would entail presentation of an asset (right of usage) amounting to \$2.7 million.

The Group has utilized the practical expedient set out in IFRS 16 related to onerous leases. The related liability related to leases amount to \$2.5 million, of which \$1.0 million is current debt and \$1.05 million is non-current debt.

The change will have a positive impact on the financial statement line item other operational costs in the consolidated income statement. The table below sets out the expected effects on 2019 with the Company's current leases.

	IFRS 16 1 January 2019 \$'000
Asset	2,680
Liability	2,505
Net effect on equity	175



Last Lion Holdco AS

Notes forming part of the financial statements for the periods ended 31 December 2018 and 2017 (continued)

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 has received SkatteFUNN in 2017 and 2018. 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 has 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 2018 and 2017 (continued)

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 2018, the carrying value of the group's financial assets totalled \$31,544,000.

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 2017, the group's other financial liabilities measured at amortised cost totalled \$118,157,000.

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

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. Two 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 2018 and 2017 (continued)

3 Financial instruments (continued)

	31 December 2018 \$'000	31 December 2017 \$'000
Trade receivables:		
Not past due	4,364	2,772
Past due 0-30 days	1,241	1,513
Past due 31-60 days	505	163
Past due 61-90 days	(31)	-
More than 90 days	1,117	1,819
Nominal value of trade receivables	7,196	6,267
Less provisions for bad debt	-	(761)
Carrying value of trade receivables	7,196	5,506
Unbilled revenue	11,996	6,495
Accounts receivables	19,192	12,001
Other	-	639
Trade and other receivables	19,192	12,640

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 into 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 2018 (continued)

3 Financial instruments (continued)

The currency exposure for trade receivables and the Conversion Rate (CR) at 31 December 2018 can be illustrated as follows:

	31 December 2018 \$'000	31 December 2017 \$'000
EUR	3,361	2,403
CHF	229	244
Nominal value of trade receivables	3,590	2,647

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

	31 December 2018 \$'000	31 December 2017 \$'000
CNY	16	38
EUR	93	50
GBP	27	48
JPY	1	-
NOK	110	67
PLN	272	11
SEK	32	-
TWD	6	-
USD	207	-
Nominal value of trade payables	764	214

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

	31 December 2017 \$'000	31 December 2017 \$'000	31 December 2017 \$'000
	Trade receivables	Trade payables	Total
NOK	-	1	-
EUR	24	-	24
CHF	2	-	2
PLN	-	-	-
BRL	-	-	-
GBP	-	-	-
CNY	-	-	-
KRW	-	-	-
	26	1	27



Last Lion Holdco AS

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

	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

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 2018 \$'000	31 December 2017 \$'000
Liquidity reserves		
Cash and cash equivalents	9,484	12,439
Less restricted accounts	3,102	3,102
Liquidity reserves	6,382	9,337

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 Vewd Software AS. The credit facility has a maturity of 5 years. Covenants and further information on the credit facility are described in note 18.

Year	Interest \$'000	PIK interest \$'000	Loan balance At year end \$'000
2017	9,041	1,291	86,337
2018	10,360	-	86,337
2019	10,360	-	86,337
2020	10,360	-	86,337
2021	10,360	-	86,337

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 2018 (continued)

4 Revenue	2018 \$'000	2017 \$'000
<i>Analysis by class of business</i>		
Licenses and royalties (point in time)	29,780	28,187
Development services (over time)	4,442	7,664
Maintenance, support and hosting (over time)	4,282	4,101
	<hr/>	<hr/>
Total Revenue	38,504	39,952
	<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	11,791	30.6%
B	4,079	10.6%
	<hr/>	<hr/>
Total	15,870	41.2%
	<hr/> <hr/>	<hr/> <hr/>

Had the group continued to report in accordance with IAS 18 Revenue for the year ended December 2018, it would have reported the following amounts in these financial statements:

	As reported under IFRS15 \$'000	Effect \$'000	As would have been reported \$'000
Revenue	38,504	2,775	41,279
Tax Expense	(8,856)	(638)	(9,494)
	<hr/>	<hr/>	<hr/>
Profit for the Period	29,648	2,137	31,785
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The main reasons for the differences are:

- The identification of additional performance obligations in certain license and royalty and the recognition of the revenue on performance obligations at a point in time rather than over time under IAS 18.
- In regards to the tax expense effect, this was converted from NOK to USD using a rate of .11503 at 31 December 2018.

See note 16 for more information.



Last Lion Holdco AS

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

5 Payroll and related expenses

	Total 31 December 2018 \$'000	CEO 31 December 2018 \$'000	Total 31 December 2017 \$'000	CEO 31 December 2017 \$'000
Staff costs consist of:				
Salaries and bonuses	9,290	334	10,138	366
Social security costs	1,494	66	1,778	53
Other pension costs	1,011	9	418	8
Other payroll expenses	1,698	73	824	1
	<u>13,493</u>	<u>482</u>	<u>13,158</u>	<u>428</u>

The average number of employees, including directors, during the year was as follows:	Number 2018	Number 2017
Average number of employees	220	195

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 Tjenstepensjon").

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 Board of Directors	Gross	Taxes	Other	\$'000 Net
Martez Romondo Moore – Chairman of the board	176	3	7	187
Aneesh Rajaram – Board Member	-	-	-	-
Total	176	3	7	187

Management share purchase

On 31 December 2017, 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.

Termination Benefit

The CFO employment contract has a termination benefit of six months salary, as of 31 December 2018 this would be valued at \$100,000.



Last Lion Holdco AS

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

6 Net finance costs	2018	2017
	\$'000	\$'000
Finance income:		
Other interest income	(418)	96
Foreign exchange gains	1,990	1,229
Total	1,572	1,325
Finance costs:		
Interest expenses on long-term borrowings*	11,244	11,731
Foreign exchange losses	2,354	-
Other interest expenses	-	100
Total	13,598	11,831
Net finance costs	12,026	10,506

* 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 01.01.2017 to 31.12.2017 and 01.01.2018 to 31.12.2018:

	2018	2017
	\$'000	\$'000
Other operating expenses		
Audit, legal and other advisory services	1,791	3,287
Rent and other office expenses	1,673	1,431
Marketing expenses	644	889
Travel and other expenses	2,438	976
Total	6,546	6,583
Remunerations to the auditor		
Statutory audit	534	196
Tax advice	151	28
Other advisory services	2	76
Total	687	299



Last Lion Holdco AS

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

8 Income tax		31 December 2018 \$'000	31 December 2017 \$'000
Analysis of tax expense			
Current tax – income tax		1,838	1,904
Change in deferred tax/tax liabilities		(1,134)	(1,556)
Tax expense / income		<u>704</u>	<u>348</u>
Specification of tax effects of temporary differences			
		Assets	Liabilities
Tangible and intangible assets		363	3,556
Accounts receivable		173	-
Deferred gain on assets sold		(30)	-
Total		<u>506</u>	<u>3,556</u>
Changes in net deferred tax assets/liabilities			
<i>Movement in temporary differences during the period</i>	2018 \$'000	2017 \$'000	Change
Tangible and intangible assets	(3,193)	(4,541)	1,348
Accounts receivable	173	390	(217)
Deferred gain on assets sold	(30)	(42)	12
Tax expense / income	<u>(3,050)</u>	<u>(4,193)</u>	<u>(1,134)</u>
Reconciliation of effective tax rate:			
	2018 \$'000	2017 \$'000	
Profit before tax	281	3,529	
Effective tax rate	<u>250.5%</u>	<u>9.9%</u>	
Profit before tax	<u>281</u>	<u>3,529</u>	
Expected tax expense at	65	847	
Non deductible expenses / permanent diff.	787	72	
Skattefunn*)	(132)	(146)	
Changes in tax rates	(17)	(182)	
Other changes	2	(243)	
Income tax expense/income	<u>740</u>	<u>348</u>	

All of 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.

	2018 \$'000	2017 \$'000
Payable income tax(gross)	2,783	1,666
Deduction Skattefunn*	(575)	(609)
Withholding Tax	(2,219)	(1,708)
Net tax receivable/payable	<u>(11)</u>	<u>(651)</u>
Withholding tax – offset against future taxable income	-	298



Last Lion Holdco AS

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

9 Business combinations and goodwill

Group	\$'000
<i>Cost</i>	
At 1 January 2018	76,955
	<hr/>
At 31 December 2018	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	15,445	15,910	31,355
	<hr/>	<hr/>	<hr/>
Fair value of consideration:			Fair value
			\$'000
Cash			79,720
Preference capital			23,590
Financed through intercompany debt			5,000
Total consideration			108,310
			<hr/>
Goodwill arising on consolidation			76,955
			<hr/> <hr/>



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2018 and 2017 (continued)

10 Intangible assets

Group	Development \$'000	Software \$'000	Customers \$'000	Total \$'000
<i>Cost or valuation</i>				
At 1 January 2017	4,135	12,790	12,040	28,965
Acquisitions through business combinations	-	-	-	-
Additions	4,187	-	-	4,187
Disposals	(740)	-	-	(740)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2017	7,582	12,790	12,040	32,412
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2018	1,117	2,641	2,487	6,245
Charge for period	803	2,558	2,407	5,768
Disposals	(683)	-	-	(683)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	1,237	5,199	4,894	11,330
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2018	6,345	7,591	7,146	21,082
	<hr/>	<hr/>	<hr/>	<hr/>
<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	
<i>Remaining amortization periods</i>				
PPA Valuation	Linear	Linear	Linear	



Last Lion Holdco AS

Notes forming part of the financial statements for the periods ended 31 December 2018 and 2017 (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 2019 and updated business plan for 2020 and 2021.

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 on the basis of 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 2018 and 2017 (continued)

12 Property and equipment	Property and equipment \$'000	Fixtures and fittings \$'000	Total \$'000
Group			
<i>Cost or valuation</i>			
As of 1 January 2018	1,091	426	1,517
Acquired through business combinations	-	-	-
Additions	467	257	724
Disposal	(179)	(300)	(479)
	<hr/>	<hr/>	<hr/>
Acquisition Cost as of 31 December 2018	1,379	383	1,762
	<hr/>	<hr/>	<hr/>
<i>Depreciation and impairment losses</i>			
As of 1 January 2018	240	12	252
Charge for period	1,086	78	1,164
Disposal	(799)	(11)	(810)
	<hr/>	<hr/>	<hr/>
Accumulated Depreciation and impairment losses as of 31 December 2018	527	79	606
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
As of 31 December 2018	852	304	1,156
	<hr/>	<hr/>	<hr/>
Useful Life	3-5 Years	5 Years	
Depreciation for the year	1,086	78	1,164
Impairment losses for the year	-	-	-



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2018 and 2017 (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 2018 and 2017	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 2018 and 2017 (continued)

14 Loans and borrowings

	2018 \$'000	2017 \$'000
Credit facility	85,000	85,000
Total debt	86,337	86,338
Borrowing cost	(1,237)	(1,668)
	85,100	84,670

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, 2017, 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 2017	\$ 13,031,000
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 2018 and 2017 (continued)

15 Trade and other receivables	2018	2017
	\$'000	\$'000
Current:		
Trade receivables	7,196	6,906
Unbilled revenue	11,996	6,495
	<u>19,192</u>	<u>13,401</u>
Nominal value of trade receivables	19,192	13,401
Allowance for bad debts	-	(761)
	<u>19,192</u>	<u>12,640</u>
Carrying value of trade receivables	19,192	12,640
Current:		
Other receivables	2,868	651
	<u>2,868</u>	<u>651</u>
Total trade and other receivables	22,060	13,291

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 2018 \$'000	Unbilled Receivables 2017 \$'000	Prepaid customers 2018 \$'000	Prepaid customers 2017 \$'000
Beginning Balance	6,495	2,360	4,151	3,734
Transfers from unbilled receivables to accounts receivables	5,300	2,360	-	-
Amounts included in Prepaid customers recognized	-	-	2,513	3,389
Excess revenue recognized over cash	10,801	6,495	-	-
Cash received in advance of performance	-	-	1,377	3,806
	<u>11,996</u>	<u>6,495</u>	<u>3,015</u>	<u>4,151</u>
Ending Balance	11,996	6,495	3,015	4,151

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 2018 and 2017 (continued)

17 Cash and cash equivalents

	Group 2018 \$'000	Group 2017 \$'000
Cash and cash equivalents	6,382	9,337
Restricted cash	3,102	3,102
	9,484	12,439

The Wilmington Trust Credit agreement requires Last Lion Holdco AS to maintain a reserve amount equal to the aggregate amount of cash interest payable on the loans of the following four interest payments. Last Lion Holdco AS maintained \$3.1 million of reserve as of December 31, 2018 associated with this restricted cash.

18 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%

19 Trade and other payables

	Group 2018 \$'000	Group 2017 \$'000
Current:		
Accounts payables	788	2,134
Income tax payable	2,208	-
Other tax and social security	261	519
Accruals	2,657	1,674
Deferred revenue	3,407	4,151
Other creditor	516	4,410
	9,837	13,252

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 2018 and 2017 (continued)

20 Operating lease agreements

The total future value of minimum lease payments is due as follows:

	2018 \$'000	2017 \$'000
Within one year	1,081	986
Between one and five years	1,599	2,355
	<hr/>	<hr/>
Total	2,680	3,341
	<hr/> <hr/>	<hr/> <hr/>

Total operating lease expense in was \$1,072,465 and \$1,231,930 in 2018 and 2017, respectively.

21 Other non-current liabilities

	2018 \$'000	2017 \$'000
Loan from Last Lion Holdings, Ltd.	23,243	23,590
Accumulated interest on loan	1,173	692
Other non-current liabilities	5,085	-
	<hr/>	<hr/>
	29,501	24,282
	<hr/> <hr/>	<hr/> <hr/>

22 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.
Ikigai 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 2018 \$'000	Balance owed 2018 \$'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 2018 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, 2018. 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 %)



Last Lion Holdco AS

Notes forming part of the financial statements
for the periods ended 31 December 2018 and 2017 (*continued*)

23 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.

24 Events after the reporting date

No events have occurred after the reporting date that would require the consolidated financial statements to be adjusted.



Last Lion Holdco AS

Annual report for 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 2018, Last Lion Holdco AS did not have operating revenue.

In 2018 other operating expenses decreased 0.2 MUSD due to decreased audit and advisory costs.

Net Working Capital ("NWC") at 31 December 2018 was 8.6 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 2018, operating activities resulted in an increase of 10.7 MUSD in cash as a result of loss before income taxes of 3.3 MUSD, increased by 11.1 MUSD for interest and finance costs and by 2.9 MUSD in changes in other receivables and payables.

Research and Development

In 2018, 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.

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.



Last Lion Holdco AS

Annual report for 2018

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.

External environment

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



Last Lion Holdco AS

Annual report for 2018

Oslo, 23 April 2019.

Martez R. Moore

Martez Romondo Moore
Chairman of the board

Aneesh Rajaram

Aneesh Rajaram
Chief executive officer/member of the board



Last Lion HoldCo AS

Statements of comprehensive income

Numbers in \$ thousand	Note	2018	2017
Revenue		-	-
Depreciation and amortization		-	-
Other operating expenses	2,3	364	553
Total operating expenses		364	553
Profit (loss) from operations		-364	-553
Interest expense	4	11,560	11,742
Financial income	4,6	8,575	11,261
Loss before income taxes		-3,349	-1,034
Income tax expense	5	-	-1
Loss		-3,349	-1,032
Items that may or will be transferred to profit (loss)			
Foreign currency translation gain		354	-
Total comprehensive loss		-2,995	-1,032



Last Lion HoldCo AS

Statements of financial position

Assets

Numbers in \$ thousand	Note	2018	2017
Non-current assets			
Deferred tax assets	5	0	1
Shares in subsidiaries	8	98,960	98,960
Other non-current receivables	6	0	0
Total non-current assets		98,961	98,961
Current assets			
Other receivables	6	5,340	11,734
Cash and cash equivalents		3,274	3,131
Total current assets		8,615	14,865
Total assets		107,576	113,827



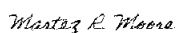
Last Lion HoldCo AS

Statements of financial position

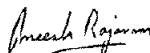
Equity and liabilities

Numbers in TUSD	Note	2018	2017
Shareholders equity and liabilities			
Share capital	7	368	368
Other paid in equity		4,636	4,636
Retained earnings and other reserves		-11,984	-8,989
Total equity		-6,980	-3,985
Non-current liabilities			
Loans and borrowings	4	85,100	84,670
Other non-current liabilities	6	29,430	24,195
Total non-current liabilities		114,530	108,865
Current liabilities			
Accounts payable		11	4
Other current liabilities	6	15	8,944
Total current liabilities		26	8,947
Total equity and liabilities		107,576	113,827

Oslo, 23 April 2019.



Martez Romondo Moore
Chairman of the board



Aneesh Rajaram
Chief executive officer/member of the board



Last Lion HoldCo AS

Statements of changes in equity

Numbers in \$ thousand	Share capital	Other paid in equity	Retained earnings	Total equity
Balance as of 01.01.2017	4	-	-7,957	-7,953
Comprehensive income for the period				
Loss			-1,032	-1,032
Total comprehensive loss for the period			-1,032	-1,032
Contributions by and distribution to owners				
Issuance of shares	364	4,636	-	5,000
Total contributions by and distributions to owners	364	4,636	-	5,000
Balance as of 31.12.2017	368	4,636	-8,989	-3,985
Comprehensive income (loss) for the period				
Loss			-3,349	-3,349
Other comprehensive income (loss)				
Foreign currency translation gain			354	354
Total comprehensive loss for the period			-2,995	-2,995
Balance as of 31.12.2018	368	4,636	-11,984	-6,980



Last Lion HoldCo AS

Consolidated statement of cash flow

Numbers in \$ thousand	Note	2018	2017
Cash flows from operating activities			
Loss for the year		-3,349	-1,032
Net finance, excluding group contribution	8	11,130	11,409
Impairment losses		-	-
Changes other receivables		6,398	-11,734
Changes in accounts payable		7	4
Changes in other current liabilities		-3,513	-1,392
Net cash flow from operating activities		10,674	-2,746
Cash flow from investment activities			
Purchases of subsidiaries and associated companies, net of cash acquired		-	-3,037
Net cash flow from investment activities		-	1,967
Cash flow from financing activities			
Proceeds from dividends and group contribution		-	17,387
Paid interest		-10,531	-9,041
Proceeds from loans and borrowings		-	570
Net cash flow from financing activities		-	8,916
Net change in cash and cash equivalents		143	3,131
Cash and cash equivalents at beginning of the period		3,131	-
Cash and cash equivalents at the end of the period		3,274	3,131



1. General information, basis for preparation

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.

Accounting principles applicable to the company not present in the group financial statements:

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 have 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.

**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, 2017 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.

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, 2018, associated with this restricted cash.

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 years proposed group contribution in the financial statements.



2. Payroll and related expenses

Salaries

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

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

Remuneration to auditor

Remunerations to the auditor	2018	2017
Statutory audit	163	33
Tax advice	-	5
Other services	14	71
Total	177	109



3. Other operating expenses

Other operating expenses TUSD	2018	2017
Audit, legal and other advisory services	339	553
Travel and other expenses	19	-
Bank fees	5	-
Total	363	553



4. Financial income and expenses

Recognized in profit or loss

Financial income TUSD	2018	2017
Other interest income	8,145	11,261
Accretion on long term borrowings *	430	-
Foreign exchange gains	-	-
Total	8,575	11,261

Financial expenses TUSD	2018	2017
Interest expenses on long term borrowings *	11,560	11,731
Foreign exchange losses	-	11
Total	11,560	11,742

Net financial items	2,985	481
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* See note 14 in the Group consolidated financial statement for further information about the long term borrowing.



5. Income tax

TUSD	2018	2017
Current tax - income tax	-	0
Change in deferred tax/tax liabilities	-	-1
Tax expense/income	-	-1

Changes in net deferred tax assets/liabilities

Movement in temporary differences during the period

TUSD	2018	2017	Change
Tangible and intangible assets	0	-	0
Long term loans in foreign currency	-703	-	-703
Accounts receivable	0	-	-
Cut off - interest limitation rule	-1,103	-	-1,103
Loss carried forward	-2,119	-	-2,119
	-3,926	-	-3,926

Reconciliation of effective tax rate:

TUSD	2018	2017
Profit before tax	-3,349	-1,034
Effective tax rate	0.0 %	-0.1 %

TUSD	2018	2017
Profit before tax	-3,349	-1,034
Expected tax expense at 23%/24%	-770	-248
Non deductible expenses / permanent diff.	770	247
Tax effects Group contribution	-	-
Other changes	-	-
Income tax expense/income	-	-

Last Lion Holdco AS has received group contribution of TUSD 8 575 from Vewd Software AS. According to simplified 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 2018 reduced the negative profit before tax. On the basis of that it will not be relevant to include any tax effect of group contribution in the table above.

Last Lion Holdco AS has a tax carry forward of 2,119 at the end of 2018.



6. Related party transactions

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

Company	Relation
Last Lion Holdings Ltd.	100% ownership in Last Lion Holdco AS
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.
Vevd Software AS	100% owned subsidiary

Company	Moore Freres & Company	Last Lion Holdings Ltd.	Vevd Software AS	Sum
Expenses	-	-	-	-
Interest	-	-568	-	-568
Group Contribution received	-	-	8,575	8,575
Net result	-	568	8,575	8,007

Balance at 31.12.18

Other non-current receivables	-	-	0	0
Current receivables	-	-	5,340	5,340
Other non-current liabilities	-	29,430	-	29,430
Current liabilities	-	-	-	-

Transactions with key management personnel

The Company has not provided any loans to directors or Executive Team members as of December 31, 2018. 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 %)



7. 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 consist 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%



8. Subsidiaries

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

Name	Country of incorporation	Proportion of interest as of 31.12.2017	Book value	Equity as of 31.12.2017	Net result as of 31.12.2017
Vevd Software AS (including Taiwan branch)	Norway	100%	98,960	\$ 10,919	\$ 12,313

Name	Country of incorporation	Proportion of interest as of 31.12.2018	Book value	Equity as of 31.12.2018	Net result as of 31.12.2018
Vevd Software AS (including Taiwan branch)	Norway	100%	98,960	\$ 22,495	\$ 12,918