

Pixel.TV ApS

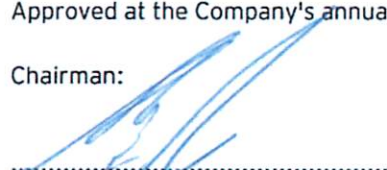
Rådmandsgade 45A, 1., DK-2200 København N

CVR no. 30 80 67 78

Annual report 2016/17

Approved at the Company's annual general meeting on 30 November 2017

Chairman:



Mark Fjeldal Dalsgaard Nielsen





Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 July 2016 - 30 June 2017	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Statement by Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Pixel.TV ApS for the financial year 1 July 2016 - 30 June 2017.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2017 and of the results of the Company's operations for the financial year 1 July 2016 - 30 June 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 30 November 2017
Executive Board:



Thomas Bense

Board of Directors:



Mike Secher Dalsgaard
Nielsen



Mark Fjeldal Dalsgaard
Nielsen



Thomas Bense



Daniel Juhl Mogensen

Independent auditor's report

To the shareholders of Pixel.TV ApS

Opinion

We have audited the financial statements of Pixel.TV ApS for the financial year 1 July 2016 - 30 June 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 30 June 2017 and of the results of the Company's operations for the financial year 1 July 2016 - 30 June 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 30 November 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Allan Terp
State Authorised Public Accountant



Martin Bøgsted
State Authorised Public Accountant

Management's review

Company details

Name	Pixel.TV ApS
Address, Postal code, City	Rådmandsgade 45A, 1., DK-2200 København N
CVR no.	30 80 67 78
Established	17 August 2007
Registered office	Copenhagen
Financial year	1 July 2016 - 30 June 2017
Website	www.pixel.tv
E-mail	kontakt@pixel.tv
Board of Directors	Mike Secher Dalsgaard Nielsen Mark Fjeldal Dalsgaard Nielsen Thomas Bense Daniel Juhl Mogensen
Executive Board	Thomas Bense
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Vestre Havnepromenade 1A, 9000 Aalborg, Denmark

Management's review

Business review

The Company's is primarily engaged in broadcasting and productions regarding to electronic games and therewith related activities.

Financial review

The Company reported a loss of DKK 14 thousand against a profit of DKK 161 thousand in 2015/16. Management considers the results to be not satisfactory and below the expected.

The total assets in the Company represented DKK 658 thousand at 30 June 2017, and the total equity amounts to DKK 243 thousand.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 July 2016 - 30 June 2017

Income statement

Note	DKK'000	2016/17	2015/16
	Gross margin	1,043	1,117
2	Staff costs	-1,059	-890
	Depreciation and impairment of property, plant and equipment	0	-18
	Profit/loss before net financials	-16	209
	Financial income	4	0
3	Financial expenses	-6	-5
	Profit/loss before tax	-18	204
4	Tax for the year	4	-43
	Profit/loss for the year	-14	161
	 Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-14	161
		-14	161

Financial statements 1 July 2016 - 30 June 2017

Balance sheet

Note	DKK'000	2016/17	2015/16
	ASSETS		
	Fixed assets		
	Investments		
	Other receivables	19	19
		19	19
	Total fixed assets	19	19
	Non-fixed assets		
	Receivables		
	Trade receivables	608	456
	Receivables from associates	0	60
	Deferred tax assets	11	7
	Deferred income	0	4
		619	527
	Cash	20	212
	Total non-fixed assets	639	739
	TOTAL ASSETS	658	758
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125	125
	Retained earnings	118	132
	Total equity	243	257
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	46	12
	Payables to associates	21	0
	Income taxes payable	45	45
	Other payables	303	444
		415	501
	Total liabilities other than provisions	415	501
	TOTAL EQUITY AND LIABILITIES	658	758

1 Accounting policies

Financial statements 1 July 2016 - 30 June 2017

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 July 2016	125	132	257
Transfer through appropriation of loss	0	-14	-14
Equity at 30 June 2017	125	118	243

The Company's share capital has remained DKK 125 thousand since it was established in 2007.

Financial statements 1 July 2016 - 30 June 2017

Notes to the financial statements

1 Accounting policies

The annual report of Pixel.TV ApS for 2016/17 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes to presentation and disclosures only

Effective 1 July 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Revenue is recognized in the income statement provided that delivery and transfer of risk to the buyer have taken place and that the income can be reliably measured and is expected to be received. Revenue is measured at fair value of the agreed consideration ex. VAT. All discounts granted are recognized in revenue.

Gross margin

The items revenue, production cost and other operating income have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

External expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial statements 1 July 2016 - 30 June 2017

Notes to the financial statements

1 Accounting policies (continued)

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Other fixtures and fittings, tools and equipment	5 years
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Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Balance sheet

Property, plant and equipment

Items of other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses arising from the sale of items of property, plant and equipment are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are calculated by reference to the difference between the selling price less selling expenses and the carrying amount at the time of sale.

Receivables

Receivables are measured at amortised cost. Write-down is made for bad debt losses based on an individual assessment of receivables.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Financial statements 1 July 2016 - 30 June 2017

Notes to the financial statements

1 Accounting policies (continued)

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carryforwards, are measured at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities comprising amounts owed to credit institutions, trade payables and payables to group enterprises are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

DKK'000	<u>2016/17</u>	<u>2015/16</u>
2 Staff costs		
Wages/salaries	1,019	866
Other social security costs	40	24
	<u>1,059</u>	<u>890</u>
 Average number of full-time employees	 <u>4</u>	 <u>3</u>
3 Financial expenses		
Interest expenses, associates	0	1
Other financial expenses	6	4
	<u>6</u>	<u>5</u>
4 Tax for the year		
Estimated tax charge for the year	0	45
Deferred tax adjustments in the year	-4	-2
	<u>-4</u>	<u>43</u>