
The Eye Tribe ApS

Amagerfælledvej 56, 34, DK-2300 København S

Annual Report for 1 January - 31 December 2015

CVR No 33 95 78 58

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/05 2016

Niels Ulrik Ottesen
Chairman



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Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report on the Financial Statements	2
Company Information	
Company Information	4
Financial Statements	
Income Statement 1 January - 31 December	5
Balance Sheet 31 December	6
Statement of Changes in Equity	8
Notes to the Financial Statements	9
Accounting Policies	13

Management's Statement

The Management and Board of Directors have today considered and adopted the Annual Report of The Eye Tribe ApS for the financial year 1 January - 31 December 2015.

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 at 31 December 2015 of the Company and of the results of the Company operations for 2015.

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

København, 23 May 2016

Direktion

Sune Alstrup Johansen
CEO

Bestyrelse

Peter Stig Andersen
Chairman

Benny Madsen

Jørgen Vilhelm Løvenørn
Bardenfleth

Sune Alstrup Johansen

Independent Auditor's Report on the Financial Statements

To the Shareholders of The Eye Tribe ApS

We have audited the Financial Statements of The Eye Tribe ApS for the financial year 1 January - 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2015 and of the results of the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Emphasis of Matter

Without qualifying our auditor's report, we draw attention to note 1 to the Annual Report, in which Management describes material uncertainty concerning the Company's ability to continue its operations.

Hellerup, 23 May 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Niels Henrik B. Mikkelsen

statsautoriseret revisor

Company Information

The Company

The Eye Tribe ApS
Amagerfælledvej 56, 34
DK-2300 København S

CVR No: 33 95 78 58

Financial period: 1 January - 31 December

Municipality of reg. office: København

Main activity

The company's main activity is to operate in the development, service and sales of technologies based products and services including eye tracking technology, and related activities.

Board of Directors

Peter Stig Andersen, Chairman
Benny Madsen
Jørgen Vilhelm Løvenørn Bardenfleth
Sune Alstrup Johansen

Executive Board

Sune Alstrup Johansen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement 1 January - 31 December

	Note	2015 DKK	2014 DKK
Gross profit/loss		-1.730.079	-3.476.101
Staff expenses	2	-6.812.690	-5.877.963
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	3	-13.744	-78.181
Profit/loss before financial income and expenses		-8.556.513	-9.432.245
Income from investments in subsidiaries		-415.239	-532.504
Financial income	4	69.031	43.897
Financial expenses	5	-184.657	-20.556
Profit/loss before tax		-9.087.378	-9.941.408
Tax on profit/loss for the year	6	2.446.272	983.339
Net profit/loss for the year		-6.641.106	-8.958.069

Distribution of profit

Proposed distribution of profit

Proposed dividend for the year	0	0
Retained earnings	-6.641.106	-8.958.069
	-6.641.106	-8.958.069

Balance Sheet 31 December

Assets

	Note	2015 DKK	2014 DKK
Acquired patents		15.715	29.459
Intangible assets	7	15.715	29.459
Investments in subsidiaries	8	0	0
Deposits		17.676	17.044
Fixed asset investments		17.676	17.044
Fixed assets		33.391	46.503
Inventories		12.682	658.018
Trade receivables		106.021	0
Receivables from group enterprises		105.068	240.931
Other receivables		447.668	780.820
Corporation tax		1.979.533	1.470.000
Prepayments		17.019	274.400
Receivables		2.655.309	2.766.151
Cash at bank and in hand		458.384	2.514.595
Currents assets		3.126.375	5.938.764
Assets		3.159.766	5.985.267

Balance Sheet 31 December

Liabilities and equity

	Note	2015 DKK	2014 DKK
Share capital		270.182	267.708
Retained earnings		-711.518	2.877.151
Equity	9	-441.336	3.144.859
Other provisions		0	918.210
Provisions		0	918.210
Credit institutions		62.473	125.953
Trade payables		2.966.076	874.895
Payables to group enterprises		0	76.363
Other payables		572.553	844.987
Short-term debt		3.601.102	1.922.198
Debt		3.601.102	1.922.198
Liabilities and equity		3.159.766	5.985.267
Going concern	1		
Contingent assets, liabilities and other financial obligations	10		

Statement of Changes in Equity

	<u>Share capital</u>	<u>Retained</u> <u>earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	267.708	2.877.151	3.144.859
Cash capital increase	2.474	1.426.483	1.428.957
Other equity movements	0	1.625.954	1.625.954
Net profit/loss for the year	0	-6.641.106	-6.641.106
Equity at 31 December	<u>270.182</u>	<u>-711.518</u>	<u>-441.336</u>

Notes to the Financial Statements

1 Going concern

The Company's main activity is developing an eye-tracking technology and consequently limited revenue has been realized as per May 2016. The budget for 2016 includes license revenue but some uncertainty is entailed in the closing of the license contracts in 2016. The Company's burn rate results in a need for additional capital increases in the forthcoming month. The Company has entered some warrants agreements resulting in a premium payment in April and May 2016, thus further deals or capital increases is needed to ensure sufficient cash resources until 31 December 2016. Management is convinced that they will reach the needed capital through capital increases from current or new shareholders during the forthcoming month. Based hereon Management has prepared the financial statements on a going concern assumption, but should the needed capital increases not be realized it could have a significant effect on the financial statements.

As per 31 December 2015 the Company has lost more than 50 % of its share capital, but Management expect the share capital to be reestablished through future capital increases in combination with future earnings in 2016 and 2017.

	2015 <u>DKK</u>	2014 <u>DKK</u>
2 Staff expenses		
Wages and salaries	6.406.171	5.497.473
Other social security expenses	91.515	75.260
Other staff expenses	<u>315.004</u>	<u>305.230</u>
	<u>6.812.690</u>	<u>5.877.963</u>
Average number of employees	<u>12</u>	<u>12</u>
3 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	<u>13.744</u>	<u>78.181</u>
	<u>13.744</u>	<u>78.181</u>
4 Financial income		
Interest received from group enterprises	57.369	36.126
Other financial income	1	3.295
Exchange gains	<u>11.661</u>	<u>4.476</u>
	<u>69.031</u>	<u>43.897</u>

Notes to the Financial Statements

	2015 <u>DKK</u>	2014 <u>DKK</u>
5 Financial expenses		
Other financial expenses	34.234	11.403
Exchange loss	<u>150.423</u>	<u>9.153</u>
	<u>184.657</u>	<u>20.556</u>
	2015 <u>DKK</u>	2014 <u>DKK</u>
6 Tax on profit/loss for the year		
Current tax for the year	-1.979.533	-1.470.000
Deferred tax for the year	0	486.661
Adjustment of tax concerning previous years	<u>-466.739</u>	<u>0</u>
	<u>-2.446.272</u>	<u>-983.339</u>
7 Intangible assets		Acquired pa- tents <u>DKK</u>
Cost at 1 January		<u>220.896</u>
Cost at 31 December		<u>220.896</u>
Impairment losses and amortisation at 1 January		191.437
Amortisation for the year		<u>13.744</u>
Impairment losses and amortisation at 31 December		<u>205.181</u>
Carrying amount at 31 December		<u>15.715</u>

Notes to the Financial Statements

	2015 DKK	2014 DKK
8 Investments in subsidiaries		
Cost at 1 January	259.200	259.200
Cost at 31 December	259.200	259.200
Value adjustments at 1 January	-259.200	-259.200
Value adjustments at 31 December	-259.200	-259.200
Carrying amount at 31 December	0	0

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership	Equity	Net profit/loss for the year
Eyeproof ApS	København	80000	100%	-1.324.309	-415.239

Notes to the Financial Statements

9 Equity

The share capital consists of 270,182 shares of a nominal value of DKK 1. No shares carry any special rights.

The share capital has developed as follows:

	2015	2014	2013	2012
	DKK	DKK	DKK	DKK
Share capital at 1 January	267.708	232.862	198.879	160.000
Capital increase	2.474	34.846	33.983	38.879
Capital decrease	0	0	0	0
Share capital at 31 December	270.182	267.708	232.862	198.879

10 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Company has issued a letter of subordination to advantage for Eyeproof ApS ' other creditors applicable until the General Meeting in 2017.

The Company is included in Danish joint taxation. Consequently, under the rules of the Danish Corporation Tax Act, the Company is jointly and severally liable for income tax etc of the jointly taxed companies.

Accounting Policies

Basis of Preparation

The Annual Report of The Eye Tribe ApS for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Financial Statements for 2015 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Accounting Policies

Other external expenses

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

Staff expenses

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

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets

Income from investments in subsidiaries

The item “Income from investments in subsidiaries” in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Intangible assets

Rights acquired is measured at cost less accumulated amortisation. Is amortised on a straight-line basis over its useful life, which is assessed at 5 years.

Impairment of fixed assets

The carrying amounts of intangible assets are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Accounting Policies

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The items "Investments in subsidiaries" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised intercompany profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Other fixed asset investments

Other fixed asset investments consist of deposit.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and costs of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Accounting Policies

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.