



T. Rasmussen Revision
Statsautoriseret
Revisionsanpartsselskab

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Mediathand ApS

Central Business Registration No. 34 88 89 81

Annual report

1. July 2015 - 30. June 2016

Frederikskaj 12

2450 Copenhagen SV

The Annual General Meeting adopted the annual report on

November 24, 2016

Chairman of the General Meeting

Allan Dyhr Hammershøj

Company details

Company
Mediathand ApS
Frederikskaj 12
2450 Copenhagen SV

Registered in: Copenhagen

Executive Board

Gert Skov Petersen

Board of Directors

Allan Dyhr Hammershøj

Company auditors

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Statement by Management on the annual report

We have today presented the annual report of Mediathand ApS for the financial year 1. July 2015 to 30. June 2016.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position and results. Also, we believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, November 24, 2016

Executive Board

Gert Skov Petersen

Board of Directors

Allan Dyhr Hammershøj

Independent auditor's report

To the shareholders of Mediathand ApS

Report on financial statements

We have audited the financial statements of Mediathand ApS for the financial year 1. July 2015 – 30. June 2016, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Further, management is responsible for such internal control as it 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 according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including an 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 entity's preparation of financial statements that give a true and fair view. The purpose is to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by management as well as 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 company's financial position at 30. June 2016 and of the results of its operations for the financial year 1. July 2015 – 30. June 2016 in accordance with the Danish Financial Statements Act.

Statement on the management's review

In accordance with the Danish Financial Statements Act, we have read the management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the management's review is consistent with the financial statements.

Copenhagen, November 24, 2016

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Tom Rasmussen
State Authorized Public Accountant

Management commentary

Main activitie

The company's main activity consists of development, adaptation and sale of a modular end-to-end live- and on-demand streaming service to global businesses. The streaming service enables broadcast, networking and content providers to simplify and accelerate hosted or virtualized multiscreen TV and On-demand streaming infrastructures.

Development in activities and finances

Net profit amounts to kr.-229.180 after tax, which is, given the very high activity level in technical R&D, market and business development and accruals, satisfactory.

The company's balance sheet shows a total asset base of kr.3.016.665, equity of kr.1.546.340 and cash in bank of kr. 2.459.274.

The company has in the financial year undergone a positive technical and business development with several global customer and partner contacts that after the financial year end has resulted in a continued positive economic and strategic development of the company and its services.

The expected development in the financial year 2016/17 is positive.

Special circumstances of the financial year 2015/16

There were no special circumstances in the financial year

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Accounting policies

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The financial statements have been presented applying the accounting policies consistently with last year.

Recognition and measurement

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

Liabilities are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts.

Other operating income and operating expenses

Other operating income and expenses comprise income and expenses of a secondary nature as viewed in relation to the Company's primary activities.

Other external expenses

Other external expenses comprise expenses for distribution, sale, marketing, administration, premises, bad debts, etc.

Staff costs

Staff costs comprise salaries and wages as well as social security costs, pension contributions, etc for the Company's staff.

Financial income and expenses

These items comprise interest income and interest expenses, the interest portion of finance lease payments, realised and unrealised capital gains and losses on securities and transactions in foreign currencies, amortisation premium or allowance on mortgage debt etc as well as tax surcharge and relief under the Danish Tax Prepayment Scheme.

Interest expenses and other financial expenses for manufacturing assets are not included in the cost of assets, but are recognised in the income statement as incurred.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit/loss for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Balance sheet**Intangible assets**

Patents acquired are measured at cost less accumulated amortisation and impairment losses. The amortisation period for patents exceeds five years, as the patents are amortised over their remaining duration which normally represents 4 years.

Patents are written down to the lower of recoverable amount and carrying amount.

Costs for development of new products are recognised in the income statement as incurred.

Receivables

Receivables are measured at amortised cost usually equalling nominal value less provisions for bad debts.

Other financial liabilities

Other financial liabilities are measured at amortised cost which usually corresponds to nominal value.

	2015/16	2014/15
	DKK	DKK
Gross profit	2.333.459	2.779.240
1 Staff costs	-2.491.598	-1.902.267
2 Depreciation	<u>-52.889</u>	<u>-50.000</u>
Operating profit/loss	-211.028	826.973
3 Financial expenses	<u>-18.152</u>	<u>-4.373</u>
Profit/loss before tax	-229.180	822.600
4 Tax on profit/loss for the year	0	-202.079
Profit/loss for the year	<u><u>-229.180</u></u>	<u><u>620.521</u></u>
 Proposed distribution of profit/loss		
Profit/loss for the year	-229.180	620.521
	<u>-229.180</u>	<u>620.521</u>

Balance sheet at 30. June 2016

Acquired patents	23.111	50.000
Intangible assets	23.111	50.000
Fixed assets	23.111	50.000
Trade receivables	361.942	42.368
Other receivables	172.338	195.726
Receivables	534.280	238.094
Cash	2.459.274	2.587.645
Current assets	2.993.554	2.825.739
Assets	3.016.665	2.875.739

Balance sheet at 30. June 2016

Share capital	200.000	200.000
Retained earnings	1.346.340	1.575.520
5 Equity	<u>1.546.340</u>	<u>1.775.520</u>
Income taxes	0	202.079
Long-term liabilities other than provisions	<u>0</u>	<u>202.079</u>
Trade payables	193.396	252.730
Income taxes	98.193	158.996
Other payables	1.178.736	486.414
Short-term liabilities other than provisions	<u>1.470.325</u>	<u>898.140</u>
Liabilities other than provisions	<u>1.470.325</u>	<u>1.100.219</u>
Equity and liabilities	<u><u>3.016.665</u></u>	<u><u>2.875.739</u></u>
Assets charged and contingent liabilities etc	6	
Related parties	7	

Notes**1 Staff costs**

Salaries and wages	2.451.933	1.885.567
Other social security costs	39.665	16.700
	<u>2.491.598</u>	<u>1.902.267</u>

Average number of employees	5	5
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2 Depreciation, amortisation and impairment losses

Acquired patents	50.000	50.000
Other fixtures and fittings, tools and equipment	2.889	0
	<u>52.889</u>	<u>50.000</u>

3 Financial expenses

Other financial expenses	-18.152	-4.373
	<u>-18.152</u>	<u>-4.373</u>

4 Tax on profit/loss for the year

Current tax	0	-202.079
Change in deferred tax	0	0
	<u>0</u>	<u>-202.079</u>

Deferred tax

Deferred tax is incumbent upon intangible assets.

5 Equity

Equity at 1. July 2015		1.775.520
Profit/loss for the year		-229.180
Equity at 30. June 2016		<u>1.546.340</u>

6 Assets charged and contingent liabilities etc

The Company has no mortgages, collateral or contingent liabilities.

7 Related parties

Controlling influence

Mediathand Limited
Innovation Center
Gallows Hill
Warwick
CV34 6UN
United Kingdom

Ownership

Other related parties, etc.:

Allan Dyhr Hammershøj
2605 Brøndby

Director

Gert Skov Petersen
2860 Søborg

Executive