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TopCap X ApS
Central Business Registration No 35647643

Annual report 2015

The Annual General Meeting adopted the annual report on 31.05.2016

Chairman of the General Meeting

Name: Ulrik Nicolai Jungersen

Contents

Entity details

Entity

TopCap X ApS
Indiakaj 12, 1.
2100 Copenhagen

Central Business Registration No: 35647643
Registered in: Copenhagen
Financial year: 01.01.2015 - 31.12.2015

Executive Board

Jens Thøger Hansen
Ulrik Nicolai Jungersen
Erik Balleby Jensen

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
0900 Copenhagen C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of TopCap X ApS for the financial year 01.01.2015 - 31.12.2015.

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 Entity's financial position at 31.12.2015 and of the results of its operations and cash flows for the financial year 01.01.2015 - 31.12.2015.

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, 31.05.2016

Executive Board

Jens Thøger Hansen	Ulrik Nicolai Jungersen	Erik Balleby Jensen

Independent auditor's reports

To the owners of TopCap X ApS
Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of TopCap X ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent and the consolidated cash flow statement. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent 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 consolidated financial statements and parent 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 about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent 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 consolidated financial statements and parent 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 entity'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 the overall presentation of the consolidated financial statements and parent 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 consolidated financial statements and parent financial statements give a true and fair view of the Group’s and the Parent’s financial position at 31.12.2015, and of the results of their operations and the Group’s cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Copenhagen, 31.05.2016

Deloitte
Statsautoriseret Revisionspartnerselskab

Bjørn Winkler Jakobsen	Henrik Hartmann Olesen
State Authorised Public Accountant	State Authorised Public Accountant

Management commentary

	2015 DKK'000	2014 DKK'000
Financial highlights		
Key figures		
Gross profit	17.418	38.580
Operating profit/loss	(26.526)	3.527
Net financials	(2.091)	(1.616)
Profit/loss for the year	(17.024)	(3.690)
Total assets	148.804	140.072
Investments in property, plant and equipment	334	2.651
Equity	84.762	91.814
Cash flows from (used in) operating activities	(9.663)	11.153
Cash flows from (used in) investing activities	(11.786)	(129.242)
Cash flows from (used in) financing activities	17.590	119.767
Ratios		
Equity ratio (%)	57,0	65,5

Management commentary

Primary activities

The Group’s primary activities comprise development, sales, marketing and operation of an online video platform and related activities for the OTT video and TV Everywhere industry.

The Parent’s primary activities are to invest in and own shares in other companies.

Development in activities and finances

Xstream A/S

Xstream A/S generated unsatisfactory results in 2015. In 2015, the owners supported the Company with an increase of capital of DKK 16m.

During the year, the Company continued to strengthen its international presence with increased focus on the markets in the North America and Asia.

Management has initiated organisational changes and cost savings measures and expects the results for 2016 in line with the Company’s plans.

The Company’s agreements on credit facilities with its banks and owners secure sufficient liquidity for 2016 in line with the Company’s plans.

During the year, Management was subject to a number of changes: Simon Høgsbro was named Chief Executive Officer, Michael Rasmussen, Chief Financial Officer and Michael (Mike) McMahon, Chief Technical Officer.

Xstream Sp. z.o.o achived satisfying results in 2015. For 2016, satisfying results in line with previous years are expected.

Xstream North America Inc. In its second year of operation, the company achieved satisfying results and strengthened its presence in the market. For 2016, an increased level of activity and continued positive financial results are expected.

Xstream Asia Pte Ltd. In its first year of operation, the company achieved satisfying results. In 2016, Management will review the future organisational structure and role of the company.

TopCap X ApS

The income statement for the Parent shows a deficit of DKK 16,299k. The balance sheet shows equity of DKK 85,661k. The Parent made a capital increase of DKK 7,635k in the subsidiary CapHold X ApS.

Corporate Governance

Management commentary

The Company is part of a group in which the Danish private equity fund Capidea is a majority shareholder. Companies owned by private equity funds that present the annual report after the provisions applying to reporting class C large entities are to incorporate DVCA's (Danish Venture Capital Association) guidelines for corporate governance.

The Company presents the annual report in accordance with the provisions applying to class C medium entities and is therefore not fully covered by the DVCA's guidelines but has voluntarily chosen to present additional relevant information.

Capidea is represented by the partner Mr. Ulrik Nicolai Jungersen on the Board.

Uncertainty relating to recognition and measurement

Goodwill

Based on the development of the activities in the subsidiary Xstream A/S, the Company has tested the goodwill for impairment. Management found that no need for further impairment based on the future business plan and budgets for the subsidiary.

In relation to the Company's investments in unlisted companies, measurement will depend on both entity specific matters, including growth potential, performance, risks, etc as well as market-related matters including demand for the industry in question, etc.

Consequently, the measurement of investments and related goodwill is subject to estimates and uncertainties. The evaluation of the measurement of the investment is based on a multiple method comprising an assessment of the sensitivity of the value at adjustments to the variables of the multiple.

Development projects

In 2015, the Group recognised total development projects of DKK 19,942k in the balance sheet. The Group expects these projects (software) to contribute significantly to future profits.

Deferred tax assets

The Group has a tax asset of DKK 4,113k concerning tax loss carryforwards which has not been recognised based on the uncertainty of the utilisation.

Outlook

Management has initiated organisational changes and cost savings measures and expects the results for 2016 to be improved compared to 2015.

Management commentary

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

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C medium enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

Changes in accounting estimates

The amortisation period for completed development projects has been changed from three to five years as this will better reflect the usefull life of the projects according to Management. This change has had a positive effect on the consolidated loss and assets for the year of DKK 2,965k.

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 Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity 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 Entity, 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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on

Accounting policies

transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, however, no more than 20 years. Negative differences in amount (negative goodwill), corresponding to an estimated adverse development in the relevant enterprises, are recognised in the balance sheet under deferred income, and they are recognised in the income statement when such adverse development is realised.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

When recognising foreign subsidiaries that are independent entities, the income statements are translated at average exchange rates for the months that do not significantly deviate from the rates at the transaction date. Balance sheet items are translated using the exchange rates at the balance sheet date. Exchange differences

Accounting policies

arising out of the translation of foreign subsidiaries' equity at the beginning of the year at the balance sheet date exchange rates as well as out of the translation of income statements from average rates to the exchange rates at the balance sheet date are recognised directly in equity.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and consumables and external expenses.

Revenue

Revenue from the sale of services and goods are recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Share-based payments are not recognised in the financial statements.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Accounting policies

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises and payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and payables and transactions in foreign currencies.

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 for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Parent Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress and acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred.

Accounting policies

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using the estimated useful lives of the assets. The amortisation period is five years. For development projects protected by intellectual property rights, the maximum amortisation period is the remaining duration of the relevant rights. Development projects are written down to the lower of recoverable amount and carrying amount.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than three years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises
Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus unamortised positive goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Accounting policies

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired. Goodwill is amortised over its estimated useful life, which is in certain cases may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Income tax payable or receivable

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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Minority interests

Minority interests consist of non-controlling interests share of equity in subsidiaries not 100% owned by the parent company.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

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.

Other provisions

Other provisions comprise provisions for pensions-related benefits and similar.

Accounting policies

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

Prepayments received from customers
Prepayments received from customers comprise amounts received from customers prior to delivery.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank debt.

Financial highlights
Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Equity ratio (%)	$\frac{\text{Equity x 100}}{\text{Assets}}$	The financial strength of the Group.

Consolidated income statement for 2015

	Notes	2015 DKK	2014 DKK
Gross profit		**17.417.705**	**38.579.898**
Staff costs	2	(31.193.048)	(22.732.746)
Depreciation, amortisation and impairment losses	3	(12.750.961)	(12.320.256)
Operating profit/loss		**(26.526.304)**	**3.526.896**
Other financial income		1.143.762	537.488
Other financial expenses		(3.234.295)	(2.153.939)
Profit/loss from ordinary activities before tax		**(28.616.837)**	**1.910.445**
Tax on profit/loss from ordinary activities	4	1.640.240	(1.891.548)
Consolidated profit/loss		**(26.976.597)**	**18.897**
Minority interests' share of profit/loss		9.952.546	(3.708.549)
Profit/loss for the year		**(17.024.051)**	**(3.689.652)**

Proposed distribution of profit/loss			
Retained earnings		(17.024.051)	(3.689.652)
		(17.024.051)	**(3.689.652)**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK	2014 DKK
Completed development projects		19.939.203	14.812.499
Acquired intangible assets		158.797	416.038
Goodwill		101.623.032	107.370.103
Intangible assets	5	**121.721.032**	**122.598.640**
Other fixtures and fittings, tools and equipment		984.195	1.636.974
Property, plant and equipment	6	**984.195**	**1.636.974**
Deposits		356.125	356.125
Other receivables		978.715	922.674
Fixed asset investments	7	**1.334.840**	**1.278.799**
Fixed assets		**124.040.067**	**125.514.413**
Trade receivables		13.888.153	9.458.393
Deferred tax assets		610.663	0
Other short-term receivables		2.544.152	336.310
Income tax receivable		2.818.911	987.275
Prepayments		1.005.116	1.930.509
Receivables		**20.866.995**	**12.712.487**
Cash		**3.896.930**	**1.845.509**
Current assets		**24.763.925**	**14.557.996**
Assets		**148.803.992**	**140.072.409**

Consolidated balance sheet at 31.12.2015

	Notes	2015 DKK	2014 DKK
Contributed capital		11.056.591	10.000.000
Retained earnings		73.705.267	81.813.903
Equity		**84.761.858**	**91.813.903**
Minority interests	9	**10.221.263**	**12.259.735**
Provisions for deferred tax		4.680.210	3.804.403
Other provisions		8.469	36.310
Provisions		**4.688.679**	**3.840.713**
Other credit institutions		25.000.000	25.000.000
Non-current liabilities other than provisions		**25.000.000**	**25.000.000**
Bank loans		6.077.375	167.272
Prepayments received from customers		6.010.821	531.673
Trade payables		4.566.096	4.382.781
Payables to associates		1.099.848	0
Other payables		6.378.052	2.076.332
Current liabilities other than provisions		**24.132.192**	**7.158.058**
Liabilities other than provisions		**49.132.192**	**32.158.058**
Equity and liabilities		**148.803.992**	**140.072.409**

Uncertainty relating to recognition and measurement	1
Subsidiaries	8
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Consolidated statement of changes in equity for 2015

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	10.000.000	0	81.813.903	91.813.903
Effect of divestments of entities etc	0	0	(347.338)	(347.338)
Increase of capital	1.056.591	9.044.419	0	10.101.010
Exchange rate adjustments	0	0	218.334	218.334
Transfer to reserves	0	(9.044.419)	9.044.419	0
Profit/loss for the year	0	0	(17.024.051)	(17.024.051)
Equity end of year	**11.056.591**	**0**	**73.705.267**	**84.761.858**

Consolidated cash flow statement for 2015

	Notes	2015 DKK	2014 DKK
Operating profit/loss		(26.526.304)	3.526.896
Amortisation, depreciation and impairment losses		12.750.961	12.320.256
Other provisions		27.841	0
Working capital changes	10	5.351.822	(1.659.943)
Cash flow from ordinary operating activities		**(8.395.680)**	**14.187.209**
Financial income received		1.143.762	537.488
Financial income paid		(2.219.788)	(2.153.939)
Income taxes refunded/(paid)		(190.939)	(2.340.538)
Other cash flows		0	922.674
Cash flows from operating activities		**(9.662.645)**	**11.152.894**
Acquisition etc of intangible assets		(11.413.598)	(11.927.417)
Acquisition etc of property, plant and equipment		(334.076)	(255.701)
Acquisition of fixed asset investments		(38.356)	(122.151.203)
Other cash flows from investing activities		0	5.092.800
Cash flows from investing activities		**(11.786.030)**	**(129.241.521)**
Loans raised		0	25.000.000
Dividend paid		(330.573)	(833.136)
Cash increase of capital		17.920.566	95.600.000
Cash flows from financing activities		**17.589.993**	**119.766.864**
Increase/decrease in cash and cash equivalents		**(3.858.682)**	**1.678.237**
Cash and cash equivalents beginning of year		1.678.237	0
Cash and cash equivalents end of year		**(2.180.445)**	**1.678.237**
Cash and cash equivalents at year-end are composed of:			
Cash		3.896.930	1.845.509
Short-term debt to banks		(6.077.375)	(167.272)
Cash and cash equivalents end of year		**(2.180.445)**	**1.678.237**

Notes to consolidated financial statements

1. Uncertainty relating to recognition and measurement

Goodwill

Based on the development of the activities in the subsidiary Xstream A/S, the Company has tested the goodwill for impairment. Management found that no need for further impairment based on the future business plan and budgets for the subsidiary.

In relation to the Company's investments in unlisted companies, measurement will depend on both entity specific matters, including growth potential, performance, risks, etc as well as market-related matters including demand for the industry in question, etc.

Consequently, the measurement of investments and related goodwill is subject to estimates and uncertainties. The evaluation of the measurement of the investment is based on a multiple method comprising an assessment of the sensitivity of the value at adjustments to the variables of the multiple.

Development projects

In 2015, the Group recognised total development projects of DKK 19,942k in the balance sheet. The Group expects these projects (software) to contribute significantly to future profits.

Deferred tax assets

The Group has a tax asset of DKK 4,113k concerning tax loss carryforwards which has not been recognised based on the uncertainty of the utilisation.

2. Staff costs

	2015 DKK	**2014 DKK**
Wages and salaries	26.824.251	18.845.539
Pension costs	361.466	274.447
Other social security costs	2.531.999	2.443.818
Other staff costs	1.475.332	1.168.942
	31.193.048	**22.732.746**
Average number of employees	**44**	**60**

Special incentive programmes

The Group has established a share-based programme for Management and employees.

Notes to consolidated financial statements

3. Depreciation, amortisation and impairment losses

	2015 DKK	2014 DKK
Amortisation of intangible assets	10.378.728	9.558.112
Impairment losses on intangible assets	1.370.023	1.747.673
Depreciation of property, plant and equipment	908.208	1.014.343
Impairment losses on property, plant and equipment	94.002	0
Profit/loss from sale of intangible assets and property, plant and equipment	0	128
	12.750.961	**12.320.256**

4. Tax on profit/loss from ordinary activities

	2015 DKK	2014 DKK
Tax on current year taxable income	(2.127.211)	29.585
Change in deferred tax for the year	962.611	1.858.106
Adjustment concerning previous years	(475.640)	0
Effect of changed tax rates	0	3.857
	(1.640.240)	**1.891.548**

5. Intangible assets

	Completed development projects DKK	Acquired intangible assets DKK	Goodwill DKK
Cost beginning of year	20.982.437	573.088	112.348.900
Exchange rate adjustments	0	5.396	0
Transfer to and from other items	(548.779)	3.082	0
Additions	11.404.764	8.834	0
Cost end of year	**31.838.422**	**590.400**	**112.348.900**
Amortisation and impairment losses beginning of year	(6.169.938)	(157.050)	(4.978.797)
Exchange rate adjustments	0	928	0
Transfer to and from other items	0	(3.082)	0
Impairment losses for the year	(1.370.023)	0	0
Amortisation for the year	(4.359.258)	(272.399)	(5.747.071)
Amortisation and impairment losses end of year	**(11.899.219)**	**(431.603)**	**(10.725.868)**
Carrying amount end of year	**19.939.203**	**158.797**	**101.623.032**

Notes to consolidated financial statements

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	2.651.317
Exchange rate adjustments	16.826
Transfer to and from other items	484.502
Additions	334.076
Disposals	(5.386)
Cost end of year	**3.481.335**
Depreciation and impairment losses beginning of the year	(1.014.343)
Exchange rate adjustments	(1.471)
Transfer to and from other items	(484.502)
Impairment losses for the year	(94.002)
Depreciation for the year	(908.208)
Reversal regarding disposals	5.386
Depreciation and impairment losses end of the year	**(2.497.140)**
Carrying amount end of year	**984.195**

7. Fixed asset investments

	Deposits DKK	Other receivables DKK
Cost beginning of year	356.125	922.674
Exchange rate adjustments	0	17.685
Additions	0	38.356
Cost end of year	**356.125**	**978.715**
Carrying amount end of year	**356.125**	**978.715**

Notes to consolidated financial statements

8. Subsidiaries

	Registered in	Corpo-rate form	Equity inte-rest %
CapHold X ApS	Copenhagen	ApS	97,4
Xstream A/S	Copenhagen	A/S	52,5
Xstream Spólka z.o.o.	Poland	z.o.o.	100,0
Xstream Inc.	United States	Inc.	100,0
Xstream Asia Pte. Ltd.	Singapore	Ltd.	100,0

9. Minority interests

This year's change in minority interests can be specified as:

	2015 kr.
Minority interests beginning of year	(12.259.735)
Share of loss for the income year	9.952.546
Dividends to minority interests	330.573
Share of increase of capital in Xstream A/S	(7.600.000)
Share of increase of capital in CapHold X ApS	(219.556)
Exchange rate adjustments	(208.702)
Change in ownership of CapHold X ApS	(216.390)
	(10.221.263)

10. Change in working capital

	2015 DKK	2014 DKK
Increase/decrease in receivables	(5.712.209)	2.944.150
Increase/decrease in trade payables etc	11.064.031	(4.604.093)
	5.351.822	**(1.659.943)**

11. Unrecognised rental and lease commitments

	2015 DKK	2014 DKK
Commitments under rental agreements or leases until expiry	**3.159.000**	**794.000**

12. Mortgages and securities

As security for mortgage debt, the subsidiary company Xstream A/S has provided a floating charge of DKK 1,000,000 as of 31 December 2015, which has been increased to DKK 5,000,000 in 2016, comprising good-

Notes to consolidated financial statements

will, development projects, acquired intangible assets, other fixtures and fittings, tools and equiment, inventories, trade receivables and other receivables.

Parent income statement for 2015

	Notes	2015 DKK	2014 DKK
Gross loss		**(35.000)**	**(22.500)**
Income from investments in group enterprises		(16.266.752)	(3.672.665)
Other financial expenses		(670)	0
Profit/loss from ordinary activities before tax		**(16.302.422)**	**(3.695.165)**
Tax on profit/loss from ordinary activities	2	3.304	5.513
Profit/loss for the year		**(16.299.118)**	**(3.689.652)**
Proposed distribution of profit/loss			
Retained earnings		(16.299.118)	(3.689.652)
		(16.299.118)	**(3.689.652)**

Parent balance sheet at 31.12.2015

	Notes	2015 DKK	2014 DKK
Investments in group enterprises		83.028.203	91.615.015
Fixed asset investments	3	**83.028.203**	**91.615.015**
Fixed assets		**83.028.203**	**91.615.015**
Income tax receivable	4	3.192	5.513
Receivables		**3.192**	**5.513**
Cash		**2.658.090**	**215.875**
Current assets		**2.661.282**	**221.388**
Assets		**85.689.485**	**91.836.403**

Parent balance sheet at 31.12.2015

	Notes	2015 DKK	2014 DKK
Contributed capital	5	11.056.591	10.000.000
Retained earnings		74.604.144	81.813.903
Equity		**85.660.735**	**91.813.903**
Other payables		28.750	22.500
Current liabilities other than provisions		**28.750**	**22.500**
Liabilities other than provisions		**28.750**	**22.500**
Equity and liabilities		**85.689.485**	**91.836.403**

Uncertainty relating to recognition and measurement	1
Contingent liabilities	6
Related parties with controlling interest	7

Parent statement of changes in equity for 2015

	Contributed capital DKK	Share premium DKK	Retained earnings DKK	Total DKK
Equity beginning of year	10.000.000	0	81.813.903	91.813.903
Increase of capital	1.056.591	9.044.419	0	10.101.010
Exchange rate adjustments	0	0	44.940	44.940
Transfer to reserves	0	(9.044.419)	9.044.419	0
Profit/loss for the year	0	0	(16.299.118)	(16.299.118)
Equity end of year	**11.056.591**	**0**	**74.604.144**	**85.660.735**

Notes to parent financial statements

1. Uncertainty relating to recognition and measurement

Based on the development of the activities in the subsidiary Xstream A/S, the Company has tested the investment for impairment. Management found that no need for further impairment based on the future business plan and budgets for the subsidiary.

In relation to the Company's investments in unlisted companies, measurement will depend on both entity specific matters, including growth potential, performance, risks, etc as well as market-related matters including demand for the industry in question, etc.

Consequently, the measurement of investments and related goodwill is subject to estimates and uncertainties. The evaluation of the measurement of the investment is based on a multiple method comprising an assessment of the sensitivity of the value at adjustments to the variables of the multiple.

2. Tax on profit/loss from ordinary activities

	2015 DKK	2014 DKK
Tax on current year taxable income	(3.192)	(5.513)
Adjustment concerning previous years	(112)	0
	(3.304)	**(5.513)**

3. Fixed asset investments

	Investments in group enterprises DKK
Cost beginning of year	95.384.125
Additions	7.635.000
Cost end of year	**103.019.125**
Impairment losses beginning of year	(3.769.110)
Exchange rate adjustments	44.940
Share of profit/loss for the year	(16.266.752)
Impairment losses end of year	**(19.990.922)**
Carrying amount end of year	**83.028.203**

4. Short-term income tax receivable

Tax receivable and current tax represent the expected tax credit to be received based on the tax value of the development activities in the joint taxation in proportion to the total tax loss in the joint taxation for the income year 2015, according to the tax credit system.

Notes to parent financial statements

5. Contributed capital

	Number	Par value DKK	Nominal value DKK
Class A	10.946.025	1	10.946.025
Class B	110.566	1	110.566
	11.056.591		**11.056.591**

	2015 DKK	2014 DKK
Changes in contributed capital		
Contributed capital beginning of year	10.000.000	50.000
Increase of capital	1.056.591	9.500.000
Contributed capital end of year	**11.056.591**	**9.550.000**

6. Contingent liabilities

The Company serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2014 for income taxes etc. for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these companies.

7. Related parties with controlling interest

Capidea Kapital II K/S owns more than 50% of the voting share capital and controls the Company.