

Roku Denmark ApS

CVR no. 35842705

**c/o TMF Denmark A/S
Købmagergade 60, 1. tv.
1150 København K
Danmark**

**Annual report
for the period ended 31 December 2019**

**Adopted at the Company's Annual General Meeting
on 31 August 2020**



Chairman Anders Sandvig

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Annual report 2019

Company details

Company:	Roku Denmark ApS
CVR no:	35842705
Registered address:	c/o TMF Denmark A/S Købmagergade 60, 1. tv. 1150 København K Danmark
Incorporated	24 April 2014
Financial period:	1 January – 31 December
Board of Directors:	Sharron Lynn Keegan Troy Matthew Fenner Peter Christian Nichter
Board of Executives:	Brian Thoft Moth Møller Bjørn Reese
Auditor:	BDO Statsautoriseret revisionsaktieselskab Visionsvej 51 9000 Aalborg

Management's review

Principal Activities of the Company

The Company's principal activity is development and licensing of software and hardware solutions, Multi room Audio and video experiences, enabled by synchronized playback technology as well as related business areas.

Development in the Company's activities and financial matters

For the financial year 2019 the Company shows net profit of DKK 3.157.749,00 and per the balance sheet date 31.12.2019 equity totals to DKK 27.154.035,00. The result for the year is considered satisfactory.

Significant events after the balance sheet date

The exact assessment of the risk from the outbreak of coronavirus is currently not quantifiable and depends on further developments, which the management is monitoring closely. However, in management's view, based on cash flow projections and taking into account the current financial and liquidity position, the Company will have sufficient resources to continue for a period of at least 12 months from the reporting date and the going concern assumption adopted in the preparation of these financial statements is appropriate.

No further events have occurred after the balance sheet date which would influence the evaluation of the Company's financial position as at the balance sheet date.

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Statement by Board of Directors and Board of Executives

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Roku Denmark ApS for the financial year 1 January - 31 December 2019.

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 at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019.

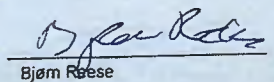
The Management's Review includes in our opinion a fair presentation of the matters dealt with in the Review.

We recommend the Annual Report be approved at the Annual General Meeting.

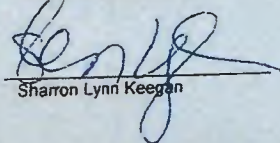
Aarhus, 31 August 2020

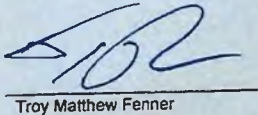
Board of Executives:

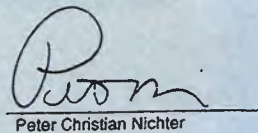

Brian Thoft Møller


Bjørn Røse

Board of Directors:


Sharon Lynn Keegan


Troy Matthew Fenner


Peter Christian Nichter

The Independent auditor's report

To the Shareholder of Roku Denmark ApS

Conclusion

We have performed an extended review of the Financial Statements of Roku Denmark ApS for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

Based on the work performed in our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for Conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of Financial Statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Extended Review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Extended Review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the Financial Statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the Financial Statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

Our conclusion on the Financial Statements does not cover the Management's Review, and we do not express any form of assurance conclusion thereon.

The Independent auditor's report

In connection with our extended review 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 extended review, 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 the work we have performed, 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 Statements Act. We did not identify any material misstatement in the Management's Review.

Aalborg, 31 August 2020

BDO Statsautoriseret revisionsaktieselskab
CVR no. 20 22 26 70



John Damkier
State Authorised Public Accountant
MNE no. mne28629

Accounting policies

The Financial Statements for Roku Denmark ApS have been prepared in accordance with the provisions applying to reporting class B enterprises under the Danish Financial Statements Act with the adoption of certain provisions from class C.

The accounting policies are unchanged compared to last year.

The Financial Statements are presented in DKK.

Recognition and measurement

Income is recognised in the Income Statement as earned. In addition, value adjustments of financial assets and liabilities, which are measured at fair value or amortized costs, are recognised in the Income Statement. Furthermore, all costs incurred to achieve the year's revenues are recognised in the Income Statement, including depreciation, amortization, impairment losses and provisions as well as reversals made to reflect changed accounting estimates concerning amounts previously recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the Balance Sheet when it is probable that future economic resources will flow from the company, and the value of the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at costs. Subsequently, assets and liabilities are measured as described below for each item.

Certain financial assets and liabilities are measured at amortised cost, implying the recognition of a constant effective rate of interest to maturity. Amortised cost is stated as original cost less any principal payments and plus or minus the accumulated amortisation of any difference between cost and the nominal amount.

Recognition and measurement take into consideration gains, losses and risks that arise before the time of presentation of the annual report and that confirm or invalidate matters existing at the balance sheet date.

Income Statement

Revenue

Revenue is recognised in the income statement if the contract has been concluded before the end of the year, and only where the income can be determined reliably and is expected to be received. Revenue is the recognised net after discounts related to sales.

Direct costs

Direct costs include expenses held to achieve the company's net sales, including salary, patent costs etc.

Financial income and expenses

Financial income and costs are recognized in the income statement by the amounts attributable to this financial year. Financial income and costs comprise interest income and expenses, realized and unrealized capital gains and losses on securities, payables and transactions in foreign currencies etc.

Tax on profit/loss for the year

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

Accounting policies

Balance sheet

Intangible assets

Development costs comprise costs, including wages and salaries and amortisation, which directly or indirectly can be related to the company's development activities and which fulfil the criteria for recognition.

Capitalised development costs are measured at the lower of cost less accumulated amortisation and recoverable amount.

Capitalised development costs are amortised on a straight-line basis over its estimated useful life after completion of the development work, which is estimated to be 5 years.

The amortization period is made based on an assessment of the acquired company's market position and earnings profile.

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement under other operational income or other operational costs.

Tangible assets

Tangible assets are measured at cost less accumulated depreciation. The basis for depreciation is cost less the expected residual value at the end of the useful life. Cost comprises the purchase price and costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets and expected residual value at the end of the useful life as follows:

Leasehold improvements, 5 years
Fixtures and fittings, other plant and equipment, 2-9 years

Gains and losses on the disposal of tangible assets are determined as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. Gains or losses are recognised in the income statement under other operational income or other operational costs.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for bad debts.

Impairment of fixed assets

The value of tangible fixed assets is assessed annually for indications of impairment other than that expressed by depreciation.

If there are indications of impairment, an impairment test of the asset or group of assets is done. There is a written down to the recoverable amount if this is lower than the carrying value.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. Write-down is made for bad debt losses.

Prepayments and accrued income

Prepayments and accrued income recognised under assets include incurred costs concerning subsequent financial years.

Accounting policies

Deferred tax asset and liabilities

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities. Deferred tax on temporary differences regarding non-deductible goodwill and other items are not measured if these - apart from through acquisitions - have arisen at the time of acquisition without having any effect on the financial profit/loss or the taxable income.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and tax liabilities are recognised by set-off within the same legal tax unit.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet as the calculated tax on the taxable income for the year adjusted for tax on taxable income for previous years.

Tax receivables and liabilities are offset to the extent that there are legal set-off and the items are expected to be settled net or simultaneously.

Liabilities

Other liabilities are measured at amortised cost which correspond to nominal values.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial costs. If currency positions are considered to be cash flow hedges, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date, are converted using the exchange rate at the balance sheet date. Any difference between the exchange rate on the balance sheet date and the rate at the occurrence of the receivable or the debt, is recognised in the income statement as financial income or expenses.

Income statement

	Notes	Period ended	
		12/31/2019 DKK	12/31/2018 DKK
Gross profit	1	28,916,069	17,110,996
Depreciation, amortisation and impairment losses		(901,408)	(330,191)
Staff costs	2	(25,690,501)	(15,207,211)
		2,324,160	1,573,594
Other financial expenses	3	(87,944)	(196,471)
Profit/loss before tax		2,236,216	1,377,123
Tax on profit/loss for the year		921,533	(314,111)
Profit/loss for the year		3,157,749	1,063,012
Proposed profit/loss distribution			
Retained earnings		3,157,749	1,063,012
Profit/loss for the year		3,157,749	1,063,012

Balance sheet

	Notes	As at	
		12/31/2019 DKK	12/31/2018 DKK
Assets			
Non-current assets			
Tangible assets			
Leasehold improvements		908,958	578,282
Fixtures and fittings, other plant and equipment		1,836,416	1,767,399
Construction in Progress		14,500	-
Total tangible assets		2,759,874	2,345,681
Other receivables		722,518	730,832
Total financial assets		722,518	730,832
Deferred tax asset		875,063	-
Total non-current assets		4,357,455	3,076,513
Receivables from group enterprises		13,043,676	10,564,981
Other receivables		261,747	1,665,518
Prepayments		1,202,660	84,613
		14,508,083	12,315,112
Cash		10,673,604	7,164,985
Total current assets		25,181,687	19,480,097
Total Assets		29,539,142	22,556,610
Equity and liabilities			
Equity			
Share capital		145,554	145,554
Retained earnings	4	27,008,481	18,125,162
Total equity		27,154,035	18,270,716
Liabilities			
Non-current liabilities			
Deferred tax liability		-	46,470
Total non-current liabilities		-	46,470
Current liabilities			
Trade payables		142,832	444,350
Income tax payable		-	2,941,800
Other payables		1,999,188	853,274
Accruals		243,087	-
Total current liabilities		2,385,107	4,239,424
Total liabilities		2,385,107	4,285,894
Total Equity and Liabilities		29,539,142	22,556,610
Related parties	5	-	-
Contingent liability	6	-	-

Notes to the financial statements

1 Gross profit

	2019 DKK	2018 DKK
Operating income	35,526,444	21,060,627
External costs	(6,610,375)	(3,949,631)
	28,916,069	17,110,996

2 Staff costs

	2019 DKK	2018 DKK
Gross salaries	23,156,634	14,486,003
Holiday accrual	1,051,038	-
Social security	51,689	38,814
Company pension contributions	1,152,022	641,928
Other staff cost	279,118	38,371
Recruiting costs	-	2,095
	25,690,501	15,207,211
<i>Average number of employees</i>	17	11

3 Other financial expenses

	2019 DKK	2018 DKK
Other expenses	399	675
Foreign exchange losses	87,545	195,796
	87,944	196,471

4 Equity

	12/31/2019 DKK	12/31/2018 DKK
Share capital	145,554	145,554
Retained earnings	18,125,162	13,794,906
Costs of stock options Roku Inc.	5,725,570	3,267,244
Transfer from profit/loss for the year	3,157,749	1,063,012
Retained earnings	27,008,481	18,125,162
Equity	27,154,035	18,270,716

5 Related parties

The Company' is included in the consolidated financial statement of the parent company Roku Inc., 1155 Coleman Avenue, San Jose, CA 95110, USA, which is listed on Nasdaq.

6 Contingent liability

The company has a signed lease contract with a rent obligation of DKK 7,925,818.20.

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