

Movellas ApS
Central Business Registration No
31467977
Amagerfælledvej 56, 8
2300 Copenhagen S

Annual report 2015

The Annual General Meeting adopted the annual report on 30.06.2016

Chairman of the General Meeting

Name: Joram Felbert

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Entity details

Entity

Movellas ApS
Amagerfælledvej 56, 8
2300 Copenhagen S

Central Business Registration No: 31467977

Registered in: Copenhagen

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Joram Felbert
Robert Anthony Horler
Yvonne Patricia Biggins

Executive Board

Joram Felbert, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Movellas 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 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.

London, 30.06.2016

Executive Board

Joram Felbert
CEO

Board of Directors

Joram Felbert

Robert Anthony Horler

Yvonne Patricia Biggins

Independent auditor's reports

To the owners of Movellas ApS

Report on the financial statements

We have audited the financial statements of Movellas 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. 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 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 judgment, including the assessment of the risks of material misstatements 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 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 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 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

Report on other legal and regulatory requirements

Emphasis of matter regarding other issues

Without modifying our opinion, we inform that, in the financial statements, the Company has not on a timely basis reported VAT and A-taxes which is in contravention of the Danish VAT Act and the Danish Withholding Tax Act, according to which Management may be held liable.

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 financial statements.

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

Copenhagen, 30.06.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Jesper Blom
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The Company's primary activities comprise development of web portals and computer programming as well as related activities.

Development in activities and finances

Profit/loss for the year amounts to a loss of DKK 953 thousand against a loss of DKK 6,985 thousand in 2014. Accordingly, the Company's balance sheet shows assets of DKK 2,601 thousand and equity of DKK 1,257 thousand.

According to Management, capitalised development costs for this year prior years are to be written down to DKK 0. Write-downs for the year affect profit/loss for the year negatively by DKK 2,589 thousand.

According to Management's subsequent assessment, the Company's capital and cash resources are adequate to secure sound operations for 2016.

Events after the balance sheet date

Besides the above described 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 B enterprises with addition of certain provisions for reporting class C.

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

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. Plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Accounting policies

Revenue

Revenue from the sale of services is 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 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.

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 intangible assets as well as plant and equipment.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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.

Accounting policies

Balance sheet

Property, plant and equipment

Plant and machinery as well as 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
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Property, plant and equipment 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.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Gross loss		(329.487)	(477)
Staff costs	1	(242.873)	(264)
Depreciation, amortisation and impairment losses		<u>(2.595.442)</u>	<u>(7.028)</u>
Operating profit/loss		(3.167.802)	(7.769)
Other financial income from group enterprises		108.083	677
Other financial income		10.497	107
Other financial expenses		<u>(3.982)</u>	<u>0</u>
Profit/loss from ordinary activities before tax		(3.053.204)	(6.985)
Tax on profit/loss from ordinary activities	2	<u>2.110.473</u>	<u>0</u>
Profit/loss for the year		<u>(942.731)</u>	<u>(6.985)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(942.731)</u>	<u>(6.985)</u>
		<u>(942.731)</u>	<u>(6.985)</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Development projects in progress		0	0
Intangible assets	3	<u>0</u>	<u>0</u>
Other fixtures and fittings, tools and equipment		12.247	0
Property, plant and equipment	4	<u>12.247</u>	<u>0</u>
Deposits		15.782	0
Fixed asset investments	5	<u>15.782</u>	<u>0</u>
Fixed assets		<u>28.029</u>	<u>0</u>
Trade receivables		0	23
Receivables from group enterprises		1.242.523	2.230
Other short-term receivables		182.403	164
Receivables		<u>1.424.926</u>	<u>2.417</u>
Cash		<u>1.147.611</u>	<u>624</u>
Current assets		<u>2.572.537</u>	<u>3.041</u>
Assets		<u>2.600.566</u>	<u>3.041</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital	6	3.638.507	3.638
Retained earnings		<u>(2.381.454)</u>	<u>(1.440)</u>
Equity		<u>1.257.053</u>	<u>2.198</u>
Trade payables		180.462	455
Debt to group enterprises		941.180	188
Other payables	7	<u>221.871</u>	<u>200</u>
Current liabilities other than provisions		<u>1.343.513</u>	<u>843</u>
Liabilities other than provisions		<u>1.343.513</u>	<u>843</u>
Equity and liabilities		<u>2.600.566</u>	<u>3.041</u>
Unrecognised rental and lease commitments	8		

Statement of changes in equity for 2015

	Contributed capital DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	3.638.507	(1.438.723)	2.199.784
Profit/loss for the year	0	(942.731)	(942.731)
Equity end of year	3.638.507	(2.381.454)	1.257.053

Notes

	Other fixtures and fittings, tools and equipment DKK
4. Property, plant and equipment	
Cost beginning of year	12.798
Additions	18.370
Cost end of year	31.168
Depreciation and impairment losses beginning of the year	(12.798)
Depreciation for the year	(6.123)
Depreciation and impairment losses end of the year	(18.921)
Carrying amount end of year	12.247

5. Fixed asset investments

	<u>Registered in</u>	<u>Corporate form</u>	<u>Equity interest %</u>
Subsidiaries:			
Movellas Ltd. UK	London	Ltd.	100,00

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
6. Contributed capital			
A-shares	324.544	1,00	324.544
B-shares	1.421.329	1,00	1.421.329
C-shares	1.892.634	1,00	1.892.634
	3.638.507		3.638.507

Notes

	2015	2014	2013	2012	2011
	DKK	DKK	DKK	DKK	DKK
Changes in contributed capital					
Contributed capital beginning of year	3.638.507	423.228	268.575	268.575	168.042
Increase of capital	0	3.215.279	154.653	0	100.533
Contributed capital end of year	3.638.507	3.638.507	423.228	268.575	268.575

The company has lost more than 50% of the contributed capital and regulated by SEL §119. The company expect re-establish the contributed capital through future operating profits.

	2015	2014
	DKK	DKK'000
7. Other short-term payables		
Wages and salaries, personal income taxes, social security costs, etc. payable	81.127	39
Holiday pay obligation	92.516	117
Other costs payable	48.228	44
	221.871	200
8. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	38.000	28