

RNTS Media N.V.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

RNTS Media N.V.

Interim condensed consolidated financial statements for the period
ended 30 June 2014

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

<u>Assets</u>	Notes	30 Jun 2014 EUR k (Unaudited)	31 Dec 2013 EUR k (Audited)
Non-current assets			
Fixed assets			
Goodwill		13,169	12,543
Intangible assets	4	5,392	3,940
Property and equipment		149	180
Non-current financial assets			
Security deposits		203	189
Deferred tax assets		133	138
		<u>19,046</u>	<u>16,990</u>
Current assets			
Inventories		242	223
Trade receivables		174	1,360
Other receivables		678	0
Other current financial assets		73	70
Other current assets		241	102
Cash and cash equivalents		544	763
		<u>1,952</u>	<u>2,518</u>
Total Assets		<u><u>20,998</u></u>	<u><u>19,508</u></u>
<u>Equity and liabilities</u>			
Equity			
Issued capital	5.1	5,653	5,653
Share premium		17,757	17,757
Other capital reserves	5.2	1,469	0
Accumulated deficit	5.3	-13,245	-11,206
Other components of equity	5.4	440	-10
Total equity		<u>12,074</u>	<u>12,194</u>
Non-current liabilities			
Employee benefit liability		322	249
Long-term borrowing		4,409	2,931
Deferred tax liabilities		349	379
Other non-current liabilities		0	4
		<u>5,080</u>	<u>3,563</u>
Current liabilities			
Trade payables		1,454	398
Other payables		1,178	2,206
Short-term borrowings		673	385
Other current liabilities		15	132
Income tax payables		0	87
Provisions		524	543
		<u>3,844</u>	<u>3,751</u>
Total liabilities		8,924	7,314
Total equity and liabilities		<u><u>20,998</u></u>	<u><u>19,508</u></u>

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014 AND 2013

	Note	1 Jan – 30 Jun 2014 EUR k <u>(Unaudited)</u>	1 Jan - 30 Jun 2013 EUR k <u>(Unaudited)</u>
Revenue		1,587	1,604
Cost of sales		-1,340	-812
Gross margin		247	792
Other operating income		409	47
Selling and administrative expenses		-2,482	-2,414
Other operating expenses		-156	-263
Operating loss		-1,982	-1,838
Interest income		1	1
Interest expense		-97	-161
Loss before tax		-2,078	-1,998
Income tax expense		39	-6
Loss for the year		-2,039	-2,004
Exchange differences on currency translation		450	-124
Actuarial gains on defined benefit plans		0	0
Other comprehensive income for the year		450	-124
Total comprehensive income for the year		-1,589	-2,128
Profit / loss attributable to:			
Owners of the parent		-2,039	-2,004
Non-controlling interest		0	0
		<u>-2,039</u>	<u>-2,004</u>
Total comprehensive income attributable to:			
Owners of the parent		-1,589	-2,128
Non-controlling interest		0	0
		<u>-1,589</u>	<u>-2,128</u>
Basic earnings per share (EUR)	6	-0.04	-0.04
Diluted earnings per share (EUR)	6	-0.04	-0.04

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014 AND 2013

	Equity attributable to owners of the parent					Total equity
	Issued Capital	Share Premium	Other capital reserves	Accumulated deficit	Other components of equity	
	Ordinary shares				Currency translation	
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
1 Jan 2014	5,653	17,757	0	-11,206	-10	12,194
Loss for the year	0	0	0	-2,039	0	-2,039
Other comprehensive income	0	0	0	0	450	450
Total comprehensive income	5,653	17,757	0	-13,245	440	10,605
Share-based payments	0	0	1,469	0	0	1,469
As at 30 Jun 2014 (unaudited)	5,653	17,757	1,469	-13,245	440	12,074
1 Jan 2013	5,000	0	0	-4,425	123	698
Loss for the year	0	0	0	-6,730	0	-6,730
Other comprehensive income	0	0	0	-4	-133	-137
Total comprehensive income	5,000	0	0	-11,159	-10	-6,169
Issue of share capital	653	17,757	0	0	0	18,410
Transaction costs	0	0	0	-47	0	-47
As at 31 Dec 2013	5,653	17,757	0	-11,206	-10	12,194

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014 AND 2013

	Note	30 Jun 2014 EUR k (un- audited)	30 Jun 2013 EUR k (un- reviewed)
Loss for the year before tax		-2,078	-1,998
Reconciliation of loss for the year to the cash flow from operating activities			
Amortisation and impairment of intangible assets	4	719	103
Depreciation and impairment of property and equipment		28	44
Profit from sales of intangible assets		13	-256
Loss from sale of property and equipment		14	0
Increase of inventories		-8	0
Decrease/ Increase in trade and other receivables		575	-33
Increase in other current assets		-136	-272
Increase employee benefit obligation		61	0
Decrease of other non-current liabilities		-4	0
Increase in trade payables		943	1,565
Decrease in other payables		-1,028	-699
Decrease in other current liabilities		-123	-2
Decrease of provisions		-19	0
Foreign currency loss on finance items		141	184
Interest income		-1	-1
Interest expense		97	161
Subtotal		-806	-1,204
Interest received		0	1
Interest paid		-5	0
Income tax paid		-91	0
Net cash flow from operating activities		-902	-1,203
Purchases of property and equipment		-14	-41
Proceeds from sale of property and equipment		12	52
Purchases of intangible assets		-639	-1,088
Proceeds from sale of intangible assets		80	462
Acquisition of a subsidiary, net of cash acquired		0	0
Decrease in security deposits		-7	47
Decrease in current financial assets		0	0
Net cash flow from investing activities		-568	-568
Proceeds from the issue of shares		0	0
Transaction costs on the issue of shares		0	-768
Proceeds from long term borrowings		1,156	1,528
Repayment of long-term borrowings		-219	0
Proceeds from short-term borrowings		673	200
Repayment of short-term borrowings		-385	0
Net cash flow from financing activities		1,225	960
Cash flow-related changes in cash and cash equivalents		-245	-811
Cash and cash equivalents at beginning of period		763	863
Net foreign exchange difference		26	-18
Cash and cash equivalents at end of period	7	544	34

GENERAL INFORMATION

1. Corporate information

RNTS Media N.V., the parent of the Group, is a company incorporated in Amsterdam, The Netherlands, whose shares are publicly traded on the Luxembourg stock exchange (Euro MTF) since 8th of January 2013. A secondary listing on the Frankfurt Stock Exchange (Open Market) has been started on 14 November 2013. The headquarters of RNTS Media N.V. are located in Berlin, Germany. The legal seat of the Company is located in Amsterdam, The Netherlands.

RNTS Media N.V. and its Group ("RNTS" or "RNTS Group" or the "Group") is an internationally operating company that engages in developing and publishing of game software, mobile applications and educational content.

The Supervisory Board has taken the decision to further reinforce the governance of the Company by proposing Mr Guy Dubois and Mr Ryan Kavanaugh as new members of the Supervisory Board, joining Dirk van Daele who continues to serve as a board member. The Annual General Meeting of shareholders has nominated the two new board members on 30 June 2014.

After the departure of the chairman Rob Hersov on June 30, Dirk van Daele has been elected with immediate effect to be the new chairman of the Supervisory Board. The Supervisory Board has also taken note of and accepted the resignation of Mr Georg Schwegler from the Supervisory Board of RNTS MEDIA N.V..

2. Basis of preparation

The interim condensed consolidated financial statements for the six months period ended 30 June 2014 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31st December 2013.

3. New and amended Standards and Interpretations

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended

31December2013, except for the adoption of new standards and interpretations effective as of 1January 2014, noted below:

- **Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)**
- **IAS 32** *Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32*
- **IAS 36** *Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36*
- **IAS 39** *Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39*
- **IFRIC 21** *Levies*

The Group has not early adopted any other standard, interpretation or amendment that been issued but is not yet effective.

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4. Intangible assets

The changes in intangible assets were as follows:

	Consul- tancy agreement	Custom- er con- tracts	Pur- chased standard software	Devel- op- ment	Digital con- tent	Others	Total
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
Acquisition or pro- duction cost							
1 Jan 2013	0	287	46	0	0	968	1,301
Acquisition of BSG	0	745	25	1,423	649	0	2,842
Additions	0	0	8	92	0	2,088	2,188
Disposals	0	0	0	0	0	-311	-311
Currency effects	0	-14	-1	-10	-5	-6	-36
31 Dec 2013	0	1,018	78	1,505	644	2,739	5,984
1 Jan 2014	0	1,018	78	1,505	644	2,739	5,984
Additions	1,469	0	4	633	0	0	2,107
Disposals	0	0	0	0	0	-588	-588
Currency effects	0	50	4	75	32	10	171
30 Jun 2014	1,469	1,068	86	2,214	676	2,161	7,674
Amortisation and impairments							
1 Jan 2013	0	28	3	0	0	611	642
Additions	0	60	10	73	18	269	430
Disposals	0	0	0	0	0	-32	-32
Impairment charges	0	0	0	0	0	1,006	1,006
Currency effects	0	-1	0	0	0	-1	-2
31 Dec 2013	0	87	13	73	18	1,853	2,044
1 Jan 2014	0	87	13	73	18	1,853	2,044
Additions	0	69	9	463	113	65	719
Disposals	0	0	0	0	0	-494	-494
Currency effects	0	4	1	4	0	4	13
30 Jun 2014	0	160	23	540	131	1,428	2,282
Carrying amounts							
1 Jan 2013	0	259	43	0	0	357	659
31 Dec 2013	0	931	65	1,432	626	886	3,940
30 Jun 2014	1,469	908	63	1,674	545	733	5,392

Breakdown of intangible assets – Others:

	Appstore	Appli- cations	Game publishing license	Tech- nology based assets	Websites	Brands	Total
	EUR k GmbH	EUR k GmbH	EUR k GmbH	EUR k Ltd.	EUR k GmbH	EUR k GmbH	EUR k
Acquisition or pro- duction cost							
1 Jan 2013	370	0	401	197	0	0	968
Acquisition of BSG	0	0	0	0	0	0	0
Additions	1,277	85	717	0	5	4	2,088
Disposals	0	-206	-105	0	0	0	-311
Transfer	-121	121	0	0	0	0	0
Currency effects	0	0	0	-6	0	0	-6
31 Dec 2013	1,526	0	1,013	191	5	4	2,739
1 Jan 2014	1,526	0	1,013	191	5	4	2,739
Additions	0	0	0	0	0	0	0
Disposals	0	0	-588	0	0	0	-588
Currency effects	0	0	0	10	0	0	10
30 Jun 2014	1,526	0	425	201	5	4	2,161
Amortisation and impairments							
1 Jan 2013	249	0	335	27	0	0	611
Additions	0	0	211	56	1	1	269
Disposals	0	0	-32	0	0	0	-32
Impairment charges	638	0	361	0	4	3	1,006
Currency effects	0	0	0	-1	0	0	-1
31 Dec 2013	887	0	875	82	5	4	1,853
1 Jan 2014	887	0	875	82	5	4	1,853
Additions	0	0	36	29	0	0	65
Disposals	0	0	-494	0	0	0	-494
Currency effects	0	0	0	4	0	0	4
30 Jun 2014	887	0	417	115	5	4	1,428
Carrying amounts							
1 Jan 2013	121	0	66	170	0	0	357
31 Dec 2013	639	0	138	109	0	0	886
30 Jun 2014	639	0	8	86	0	0	733

In the first half year 2014 the increase of intangible assets in the amount of EUR k 2,107 result mainly from the consulting agreement between RNTS Media N.V. and Knight Global Services, LLC ("KGS"), represented by Ryan Kavanaugh. In accordance with the agreement, KGS provides to RNTS business contacts, suggestions and potential transactions as a potential value added to RNTS's activities. The service agreement has been valued with the fair value of the consideration transferred, which is a warrant that grants KGS the right to acquire up to 2,700,000 ordinary shares of RNTS for EUR 3.00 each over a period of 3 years starting after 1 year, which correlates to the term of the consultancy agreement.

The warrant has a fair value of EUR k 1,469. According to IFRS, the Group recognised a respective increase in other capital reserves. See note 5.2. "Other capital reserves" for further details.

5. Equity

The components and changes in consolidated equity are summarised in the consolidated statement of changes in equity.

5.1. Issued capital

The issued capital of RNTS Media N.V. amounting to EUR k 5,653 is divided into 56.533.333 common shares, with a nominal value of EUR 0.10 each. The issued capital as of 30 June 2014 consisted entirely of fully paid-up ordinary shares. At the reporting date the shares were publicly traded, the admission to listing on the Official List of the Luxembourg Stock Exchange and to trading on the Euro MTF market was applied on 15 November 2012. The stock exchange trading started on 8 January 2013.

The authorised capital amounted to EUR k 25,000 and is divided into 250,000,000 shares, with a nominal value of EUR 0.10 each.

5.2. Other capital reserves

The increase of the other capital reserves in the amount of EUR k 1,469 is due to the warrant given by RNTS to KGS for the provision of consultancy services. The warrant allows KGS to acquire 2,700,000 shares of RNTS for EUR 3.00 each. According to IFRS 2, the transaction of the warrant is equal to an equity-settled share-based payment transaction. The value of the equity instrument, which is calculated with the Black Scholes Model, is shown in the capital reserves at fair value. The exercise price of this warrant in the amount of EUR 3.00 was below the market price of the shares on

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30 June 2014. The warrant has a duration of 4 years until 28 June 2018. There is no cash settlement of the option. The fair value of the warrant was estimated at the reporting date by using the following assumptions:

Weighted average share price (EUR):	3.067
Exercise price (EUR):	3.000
Annualised expected volatility (%):	0.412
Warrant life (years):	3.997
Risk-free interest rate (%):	0.282
Dividends (%):	No dividends are to be considered

The number and weighted average exercise prices (WAEP) of the share option needs to be disclosed for each of the following group:

	<u>Number</u>	<u>WAEP</u> EUR
Outstanding at the beginning of the period:	0	
Granted during the period:	2,700,000	3,00
Forfeited during the period:	0	
Excercised during the period:	0	
Expired during the period:	0	
Outstanding at the end of the period:	2,700,000	3,00
Excercisable at the end of the period:	0	

For the six months ended 30 June 2014, the Group has recognised EUR k 1,469 of share-based payment in the capital reserves.

5.3. Accumulated deficit

The accumulated deficit contains the income of the companies included in the consolidated financial statements plus actuarial gains that are not reclassified to profit or loss in subsequent periods as well as transaction costs in connection with the issuance of capital.

5.4. Other components of equity

Other components of equity consists solely of losses resulting from the translation of the accounts of the Korean subsidiaries from Korean Won, which is the functional currency of these subsidiaries, into Euro which is the functional currency of the parent company and the reporting currency of the Group.

NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

6. Earnings per share

As of 30 June 2014, the Group has only ordinary shares. The basic and diluted earnings per share were determined as follows:

		1 Jan to 30 Jun 2014	1 Jan to 30 Jun 2013
Net income attributable to shareholders of RNTS Media N.V.	EUR k	-2,039	-2,004
Weighted average shares outstanding	000s	56,533	50,000
Weighted average number of ordinary shares adjusted for the effect of dilution	000s	56,563	50,000
Net income attributable to shareholders of RNTS Media N.V. per share			
Basic and diluted earnings per share	EUR	-0.04	-0.04
Diluted earnings per share	EUR	-0.04	-0.04

NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

7. Cash flow

The cash flow statement was prepared using the indirect method for presentation of operating activities.

RNTS Group's cash and cash equivalents as of 30 June 2014 consist of cash at banks of EUR k 544 readily available without any restrictions.

SEGMENT INFORMATION**8. Basic principles of segment reporting**

For management purposes, the Group had seven reportable operating segments (Games, Appstore, Global Sales, Big Star Global, Application Development, LTE and Operations) until the end of the year 2013. Through the reorganisation of the Group and its investment in Big Star Global Co., Ltd. the management changed the reportable operating segments for 2014. Due to the change there are now five operating segments (Games, Appstore, Global Sales, Big Star Global and Operations).

The financial performance and financial position of each segment for the six months period ended 30 June 2014 are as follows:

	Revenues	Net loss	Total assets	Total liabilities
	EUR k	EUR k	EUR k	EUR k
Games	208	-1,221	11,531	12,636
Appstore	0	0	1,355	1,201
Global Sales	0	-39	0	0
Big Star Global	1,379	-230	13,804	5,108
Operations	0	-354	0	0
Sub-total	1,587	-1,844	26,690	18,945
Consolidation entries	0	-195	-5,692	-10,021
Total	1,587	-2,039	20,998	8,924

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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All eliminations result from the consolidation process and break down as follows:

	Revenues	Net loss	Total assets	Total liabilities
	EUR k	EUR k	EUR k	EUR k
Capital consolidation	0	0	738	738
Currency effect on intangible assets (identified in PPA)	0	3	76	73
Amortisation of intangible assets (identified in PPA)	0	-176	-447	-271
Currency differences Goodwill	0	0	573	573
Consolidation of intragroup liabilities and interest	0	-22	-10,441	-10,419
Deferred tax assets	0	0	117	117
Reversal of allowance of loan N.V. - GmbH	0	0	3,692	3,692
Consolidation Adjustments in Equity	0	0	0	-4,524
Total consolidation entries	0	-195	-5,692	-10,021

The financial performance and financial position of each segment for the year ended 31 December 2013 are as follows:

	Revenues	Net loss	Total assets	Total liabilities
	EUR k	EUR k	EUR k	EUR k
Games	774	-3,618	7,439	10,602
Appstore	462	-983	1,243	885
Global Sales	694	-1,045	2,426	931
Big Star Global	780	166	12,934	2,863
Application development	0	-113	0	0
LTE	0	-131	0	0
Operations	27	-4,482	757	1,132
Sub-total	2,737	-10,206	24,799	16,413
Consolidation entries	0	3,476	-5,291	-9,099
Total	2,737	-6,730	19,508	7,314

OTHER DISCLOSURES

9. Financial assets and liabilities

9.1. Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1 – Quoted market prices

Level 2 – Valuation techniques (market observable)

Level 3 – Valuation techniques (non-market observable)

As of 30 June 2014, the Group held no financial instruments carried at fair value in the statements of financial position. The amortised costs of the loans and receivables generally approximate fair values except for long-term borrowings that have a fixed interest rate. The fair value of this fixed interest long-term borrowing was determined using Level 3 techniques by discounting the expected cash flows with a market pre-tax cost of debt of 8,92% (2013: 10.14%) (BBB-, 3 year corporate bond rate).

9.2. Presentation by categories

The balance sheet items comprising financial assets and liabilities can be attributed to the measurement categories according to IAS 39 as follows:

	30 Jun 2014		
	Carrying amount EUR k	Receivables EUR k	Fair value EUR k
<u>Assets</u>			
Security deposits	203	203	203
Trade and other receivables	852	852	852
Other current financial assets	73	73	73
Cash and cash equivalents	544	544	544
	1,672	1,672	1,672

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	31 Dec 2013		
	Carrying amount EUR k	Receivables EUR k	Fair value EUR k
Assets			
Security deposits	189	189	189
Trade and other receivables	1,360	1,360	1,360
Other current financial assets	70	70	70
Cash and cash equivalents	763	763	763
	<u>2,382</u>	<u>2,382</u>	<u>2,382</u>

	30 June 2014			
	Carrying amount EUR k	Loans EUR k	Financial liability at fair value through profit or loss EUR k	Fair value EUR k
Liabilities				
Long-term borrowing	4,409	4,409	0	4,315
Other non-current liabilities	0	0	0	0
Trade and other payables	2,632	2,632	0	2,632
Short-term borrowings	673	673	0	673
Other current liabilities	15	15	0	15
	<u>7,729</u>	<u>7,729</u>	<u>0</u>	<u>7,635</u>

	31 Dec 2013			
	Carrying amount EUR k	Loans EUR k	Financial liability at fair value through profit or loss EUR k	Fair value EUR k
Liabilities				
Long-term borrowing	2,931	2,931	0	2,758
Other non-current liabilities	4	4	0	4
Trade and other payables	2,604	2,604	0	2,604
Short-term borrowings	385	385	0	385
Other current liabilities	132	132	0	132
Contingent consideration	18	0	18	18
	<u>6,074</u>	<u>6,056</u>	<u>18</u>	<u>5,901</u>

10. Events after the balance sheet date

RNTS Media N.V. has informed the market that it is in advanced negotiations to acquire *Fyber GmbH* (formerly *SponsorPay GmbH*) in a cash-and-stock transaction. *Fyber*, a company based in Berlin and San Francisco, is a global leader in internet based monetization solutions for its B2B clients. The acquisition of *Fyber* will create value for the Group by enlarging his product portfolio to his customers involved in digital content, whether online or via mobile devices. Both parties are agreed with key terms and the present disclosure.

A new version of the remuneration policy for the management board members and the staff in general was adopted by the general shareholder's meeting. The main change concerns the possibilities to be offered a long term incentive plan in form of a stock option plan, which is still under discussion and will be submitted for approval to a next shareholder meeting. A remuneration policy for the supervisory board is also in preparation.

RNTS Media N.V.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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Amsterdam, 30 July 2014

Management Board

Roger van Diepen Jai Paik Hyounghoon Han