



NetOp. Moving expertise - not people

Announcement No. 12-2008

9 June 2008

## **Danware in final negotiations for a global, exclusive partnership agreement with software business Medianet Innovations**

**Danware is in the final phase of negotiations for a global, exclusive partnership agreement with Medianet Innovations, a company specialising in unified communications technologies enabling secure virtual communication, including Web-based sharing of voice, video, files and documents. Negotiations are expected to finalise on 30 June 2008 and the agreement to take effect on 1 July 2008.**

Medianet Innovations was founded in Denmark and is registered in the USA. Its management and sales organization is based in Denmark and it has development activities in Romania. The company's products are also available in the UK and in the rest of the Nordic region. Building an efficient distribution channel is a cost-intensive process. For that reason, Medianet Innovations has been looking to find a business partner that can help strengthen sales.

Medianet Innovations, which has some 40 employees, was founded by Karsten Madsen, who is also its managing director. The company is owned by Madsen Invest ApS (55%) and LD Equity 22 Aps (45%). Since being founded, it has developed a range of communication tools enabling secure Web-based virtual communication, including functionality to share voice, video, files or documents. Medianet products mainly address financial or public sector institutions emphasizing secure, efficient and interactive Web-based communications with their customers and users. Medianet Innovations is the only provider offering this many options through a single interface and Website access, while at the same time complying with online banking security requirements. Karsten Madsen will be employed by Danware and will be in charge of international sales of Medianet Innovations products through Danware's distribution channels. A large part of the Medianet staff, mainly those based in Romania and Denmark, will also be employed with Danware.

Danware believes that Medianet Innovations' products can help strengthen the Danware product portfolio. The agreement enables Danware to provide remote management and remote solution products and to extend its offering of Web-based products addressing high growth markets. Also, the agreement will expand Danware's development resources and enable the company to step up the pace for launching new, innovative products.

### **The partnership agreement**

The main items of the partnership agreement are expected to be as set out below:

- Danware will become a global, exclusive distributor of all Medianet Innovations products and will take over Medianet's existing customers.
- Danware will pay a revenue-driven licence fee to the owners of Medianet Innovations.
- Danware commits to achieving a certain minimum revenue from the products over a three-year period. The agreement may be terminated if the minimum revenue is not reached.
- A large part of Medianet Innovations' employees will be employed with Danware.
- Danware will take over Medianet Innovations' Romanian subsidiary (which mainly handles development activities).



NetOp. Moving expertise - not people

Danware will not be taking over the rights to Medianet Innovations' products. However, the parties expect to reach an agreement setting out the terms for Danware acquiring all rights to Medianet Innovations products over a three-year horizon.

Subject to conclusion of the partnership agreement, Danware will pay a small amount covering the acquisition of Medianet Romania and other aspects of the agreement.

#### **Impact on full-year forecast**

If concluded, the partnership agreement is expected to make a small, positive contribution to Danware's 2008 revenue, but the agreement is expected to have a substantial revenue potential for Danware in step with an expected gradual increase in revenue from Medianet Innovations products through Danware's international distribution channels.

#### **Contact**

Kurt Bager, CEO, tel. +45 4590 2525, e-mail: kgb@danware.dk

*Danware's core business is to develop and market software products based on the NetOp® core technology – a technology enabling swift, secure and seamless transfer of screens, sound and data between two or more computers. The company's two product areas are Desktop Management and Education. The core product in Desktop Management, NetOp® Remote Control, enables remote control of one or more distant computers. NetOp® School, the core product in Education, is a software application for computer-based classroom teaching. All are plug 'n play products offering extensive functionality, flexibility and user-friendliness. Danware's products are sold in more than 80 countries. In 2007, the company generated revenue of about DKK 85m. Danware's shares are listed on the Copenhagen Stock Exchange and are a component of the Small Cap+ index. Danware operates wholly owned subsidiaries in the United States, the UK and Germany. For more information, go to [www.danware.com](http://www.danware.com).*