

Report for Q2, January-June, 2017

Letter of CEO

We hereby file the UCP Quarterly Report for Q2 2017. The complete report can be viewed [here](#). In addition to the report, we want to highlight the following in the UCP group development;

Net revenues and media billings

Net revenues the first six months are 20% higher compared with the same period in 2016. The three months ended June 30, 2017, has had stronger growth than the first quarter and net revenues are 32% higher than the same period last year. Net revenues has grown even though media investments are lower than the same period last year, see below, which is a result of increased sales of services not directly related to media investments and more often a price model not directly linked to the size of the media investments.

Compared with last year the clients' media investments, including minority interest companies, have decreased with 5%. Our share of the aggregated media spend for all companies in the group decreased by 10% (\$5.7 MUSD) in the first six months of the year. The latter is due to both a change in the seasonality of the spending pattern of clients this year compared to last year and increased digital media investments. Of the total media investments to date 41% is digital. Overall, for year 2017 we still expect the media investments to increase compared to last year.

Gross profit and result of operations

Gross profit for the group has increased 17% during the six months ended June 30, 2017, compared to 2016. The Gross profit margin is 8% compared to 8.2% the same period last year. The gross profit margin has increased in the three months ended June 30, 2017, compared to the first three months ended March 31, 2017 – from 7.9% to 8.2%.

The operations generated a profit of \$345,000 the first half year compared to a profit of \$105,000 the same period last year. In 2016 the three months ended June 30 generated a loss of \$31,000 compared to a profit of \$248,000 this year.

The selling, general and administrative expenses of the operations have increased 5,4% so far this year. The cost the three months ended June 30, 2017, is at par with last year. One explaining factor that the increase is not higher is that we have been in longer processes than expected to recruit several key positions, and start dates have been pushed into the autumn. We need to continue to secure the best people to service our current clients, win new clients in a competitive market and create further growth and profit.

Profit before taxes and minority interest

Profit before taxes and minority interests generated this year until the end of June is \$499,000 compared to a profit of \$82,000 in 2016. The profit available to shareholders for the six months ended June 30, 2017, is \$428,000.

The group has improved its profitability the first half year and it has had good growth compared to last year. Our aim is to generate further profit during the last six months of the year and continue to grow the groups business.

New York, USA, 15th of August 2017



Niclas Fröberg
Chief Executive Officer

UNITED COMMUNICATIONS PARTNERS INC
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Table of Contents

	<u>Page</u>
FINANCIAL INFORMATION	
Financial Statements.	
Condensed Consolidated Balance Sheets as of June 30, 2017 (unaudited) and December 31, 2016 (unaudited)	2-3
Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2017 (unaudited) and 2016 (unaudited)	4
Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2017 (unaudited) and 2016 (unaudited)	5
Notes to Consolidated Financial Statements	6-18
Certifications	19

United Communications Partners Inc. and Subsidiaries
Consolidated Balance Sheets (Unaudited)
(In thousands of USD)

<u>Assets</u>	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Current assets:		
Cash and cash equivalents	\$ 1,093	\$ 1,394
Accounts receivable, net	11,008	7,649
Costs and estimated earnings in excess of billings on projects in progress	732	805
Value added tax refund receivable	-	843
Prepaid expenses and other current assets	<u>782</u>	<u>579</u>
Total current assets	13,615	11,270
Equipment, net	95	90
Equity investments	823	603
Note receivable	-	385
Goodwill	2,954	2,954
Other intangible assets, net	<u>-</u>	<u>-</u>
Total assets	\$ <u>17,487</u>	\$ <u>15,302</u>

See notes to the consolidated financial statements.

United Communications Partners Inc. and Subsidiaries
Consolidated Balance Sheets (continued)
(In thousands of USD)

<u>Liabilities</u>	<u>June 30, 2017</u>	<u>December 31, 2016</u>
Current liabilities:		
Accounts payable	\$ 9,997	\$ 9,802
Accrued expenses and other current liabilities	1,247	742
Billings in excess of costs and estimated earnings on projects in progress	5,099	2,914
Value added tax payable	401	-
Note payables	260	1,624
Advances from related parties	-	-
Total current liabilities	17,004	15,082
Contingent consideration – Tre Kronor	-	-
Total liabilities	17,004	15,082
Non-controlling interest	(25)	(29)
Commitments and contingencies		
<u>Stockholders' Equity</u>		
Preferred stock \$0.001 per share par value; 100,000,000 authorized; 0 issued and outstanding.	-	-
Common stock \$0.001 per share par value; 2,000,000,000 shares authorized, 1,617,887,264 shares issued, and 1,610,887,264, shares outstanding at December 31, 2013 and December 31, 2012.	1,618	1,618
Additional paid-in capital	9,179	9,179
Accumulated deficit	(10,539)	(10,967)
Treasury stock, at cost, 7,000,000 shares	(7)	(7)
Accumulated other comprehensive loss	257	426
Total Stockholders' equity	508	249
Totals liabilities and stockholders' equity	\$ 17,487	\$ 15,302

See notes to the consolidated financial statements.

United Communications Partners Inc. and Subsidiaries
Consolidated Statements of Operations (Unaudited)
(In thousands of USD, except for per share amounts)

	For the three months ended June 30,		For the six months ended June 30,	
	2017	2016	2017	2016
Net revenues	\$ 15,658	\$ 11,864	\$ 29,756	\$ 24,885
Cost of revenues	(14,373)	(10,860)	(27,362)	(22,838)
Gross Profit	1,285	1,004	2,394	2,047
Selling, general and administrative expenses	(1,026)	(1,026)	(2,029)	(1,925)
Depreciation and amortization	(11)	(9)	(20)	(17)
Profit (Loss) from operations	248	(31)	345	105
Other income (expense), net:				
Income from equity investments	(5)	45	243	68
Profit (loss) from disposal of equipment	-	7	-	12
Interest expense	(37)	(81)	(89)	(103)
Total other income (expense), net	(42)	(29)	154	(23)
Profit (Loss) before taxes and minority Interest	206	(60)	499	82
Provision for income taxes	(42)	5	(65)	(55)
Net loss (gain) attributable to the Non-Controlling Interest	(7)	(8)	(6)	(10)
Profit (Loss) available to common shareholders	\$ 157	\$ (63)	\$ 428	\$ 17
Profit (Loss) per share – Basic and diluted				
Continuing operations	\$ (-)	\$ (-)	\$ (-)	\$ (-)
Discontinued operations	(-)	(-)	(-)	(-)
Net loss	\$ (-)	\$ (-)	\$ (-)	\$ (-)
Weighted-average shares outstanding:				
Basic and diluted	1,617,887,264	1,617,887,264	1,617,887,264	1,617,887,264

See notes to the consolidated financial statements.

United Communications Partners Inc. and Subsidiaries
Consolidated Statements of Cash Flows (Unaudited)
(In thousands of USD)

	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Cash flows from operating activities:		
Net profit (loss)	\$ 428	\$ 17
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	20	17
Amortization of intangible assets	-	-
Provision – corporate income tax	1	55
Income from equity investments	(243)	(68)
Non-controlling interests	6	5
Accrued interest from note receivable	-	-
Changes in operating assets and liabilities:		
Accounts receivable	(2,792)	(3,733)
Cost and estimated earnings in excess of billings on projects	133	(192)
Value added tax refund receivable	905	(38)
Prepaid expenses and other current assets	(140)	(287)
Accounts payable	(532)	1,652
Accrued liabilities	830	19
Billings in excess of costs and estimated earnings	1,969	2,445
Net cash generated from operating activities	585	(108)
Cash flows from investing activities:		
Net disposal and purchase of equipment	(21)	(25)
Dividends received from equity investments	67	-
Acquisition of Shares in Media Team Plus Scandinavia AB	(2)	-
Proceeds from Disposal of interest in Howcom AB	385	-
Proceeds from Disposal of interest in Nyheter 365	-	410
Net cash used in investing activities	429	388
Cash flows from financing activities:		
Repayments of debt	(1,484)	(14)
Proceeds from debt, net of financing costs	-	-
Net repayments from borrowings from related party	-	-
Net cash provided by financing activities	(1,484)	(14)
Effect of exchange rates on cash from continued operations	169	(445)
Net increase (decrease) in cash	(301)	(182)
Cash at beginning of period	1,394	2,645
Cash at end of period	\$ 1,093	\$ 2,463
 Supplemental information:		
Cash paid for interest in continued operations	\$ 89	\$ 120

See notes to the consolidated financial statements.

United Communications Partners Inc. and Subsidiaries
Notes to the Consolidated Financial Statements

Note 1. Organization and Nature of Business

Organization

United Communications Partners Inc. ("UCP" or the "Company"), is a holding company that currently conducts its operations through its wholly owned subsidiary Tre Kronor Media & Reklam Stockholm AB, ("TKM" or "Tre Kronor") which was acquired on May 4, 2010, Abrego Spain SL, which was established in November 2010, and Tre Kronor Holding AB, which was established in August 2013.

Abrego Spain SL

In November 2010, the Company established a wholly owned subsidiary in Spain, Abrego Spain SL ("ABSP"), a media company with a capital of Euro 3,010 (approximately \$ 4,100).

In Sight AS

Effective January 1, 2011 TKM acquired a non-controlling 30.1% interest in In Sight AS (a Norwegian media company) pursuant to an agreement dated June 2, 2010 between Insight and TKM. The interest was acquired for a cash consideration of Swedish Kronor (SEK) 4,756,550 (\$701,000). The consideration was paid on October 31, 2010.

In Sight AS is a Norwegian based media agency established in 2009. During 2010 and effective from January 1, 2011, In Sight AS expanded its business significantly after signing a contract with one of the largest retailers in Norway regarding media strategy, counseling, media purchases and campaign execution.

In the beginning of 2012 In Sight AS issued 23,500 new shares against cash considerations, thus diluting TKM's non-controlling interest from 30.1% to 27.1%. On September 18, 2012, TKM agreed to dispose 14,500 shares to the management of In Sight AS against a cash consideration of \$222,591 (Norwegian Kronor 1,305,000). Pursuant to the transaction, TKM's non-controlling interest is 21% (50,000 shares).

HowCom AB (former CCCP Media AB)

Since September 2011, TKM holds a non-controlling interest of 33.3%, SEK 33,333 (approximately \$4,861) in CCCP AB, a Swedish media agency, with a combined capital of SEK 100,000 (approximately \$14,583).

During April 2013, CCCP Media AB acquired the Swedish consulting firm HowCom AB. In conjunction to the acquisition, the name of the company CCCP Media AB was changed to HowCom AB ("HC"). In connection with the acquisition, in May 2013, HowCom AB participated in the establishing of the Swedish consulting company HowCom Evolution AB ("HCE") for a combined capital of SEK 100,000 (approximately \$14,895) in which HowCom AB holds a controlling interest of 52% which is the equivalent to SEK 52,000 (approximately \$7,745).

In November 2016, TKM sold 5% of its non-controlling interest in Howcom AB and in December 2016 it sold the remaining 28.3%. The shares were sold to management and staff in Howcom AB for a total consideration of SEK 3,950,000 (\$434,204), to be paid in full March 31, 2017. The consideration relating to the shares transferred in November was paid in November. Against pledge in the transferred shares, TKM issued a note receivable to the buyers of shares transferred in December for the installment of the payment of SEK 3,500,000 (\$384,742).

As at December 31, 2016, TKM has no equity interest in Howcom AB.

Tre Kronor Media Danmark A/S

In February 2013, TKM participated in the establishing of the Danish media company Tre Kronor Media Danmark A/S ("TKMDK"). TKMDK was established with a combined capital of Danish Kroner 500,000, (approximately \$86,200) in which TKM holds a controlling interest of 80%, which is equivalent to DKK 400,000, (approximately \$69,000).

On November 23, 2016, TKM acquired further 5% of the shares at nominal value from Howcom AB. As of December 31, 2016, TKM has a controlling interest of 85% in TKMDK, which is equivalent to DKK 425,000 (approximately \$73,270).

The results of operations of TKMDK have been included in the consolidated statements of operations since February 11, 2013.

Tre Kronor Creative AB

During the first quarter of 2013 TKM established the Swedish company Tre Kronor Creative AB ("TKC"). Its establishment was based on a partnership agreement with two leading members of the TKM staff, whom were to take a 20% holding in the company, with a combined capital of SEK 100,000 (approximately \$15,346). The agreement was not completed, and both members waived their right to shares of ownership. As at December 31, 2013, TKM's controlling interest constituted the equivalent of SEK 100,000 (approximately \$15,365).

TKC was established with the purpose to separate advertising activities from TKM in order for TKM to focus entirely on its core competencies within media consultancy, media planning and media campaign execution.

In July 2013 it was concluded the advertising business of TKC was not fulfilling its objectives and would generate a loss in the business year and it was decided to close the advertising business. The entity thereafter had no business activity. On May 31, 2015, TKM sold all its shares in Tre Kronor Creative AB, resulting in a gain for the Company of SEK 3,482,000 (approximately \$412,883) due to reversal of intercompany items between TKM and TKC. The results of operations of TKC have not been included in the consolidated statements of operation since June 1, 2015.

Tre Kronor Holding AB

In August 2013, the Swedish company Tre Kronor Holding AB ("TKH") was established, with a capital of SEK 100,000 (approx. \$15,302). TKH was established with the purpose to handle joint activities and shared services for the group, i.e. administrative and financial services, procurement, shared systems and tools, investments and growth activities, with start in 2014. The results of operations of TKH have been included in the consolidated statements of operations since May 1, 2014.

Local Planet AB

On May 2, 2016, TKM participated in the establishing of the Swedish media company Local Planet AB ("LP"). LP was established with a combined capital of SEK 50,000 (approximately \$6,000) in which TKM initially held a controlling interest of 92.4%, which is equivalent to SEK 46,200 (approximately \$5,544). On November 8, 2016, TKM sold a further 7.4% of the shares at nominal value to management. As of December 31, 2016, TKM has a controlling interest of 85% in LP, which is equivalent to SEK 42,500 (approximately \$5,100).

LP will primarily offer media services to clients in Sweden. Operations in LP started in July 2016 and are included in the consolidated statements of operations.

Local Planet International Limited

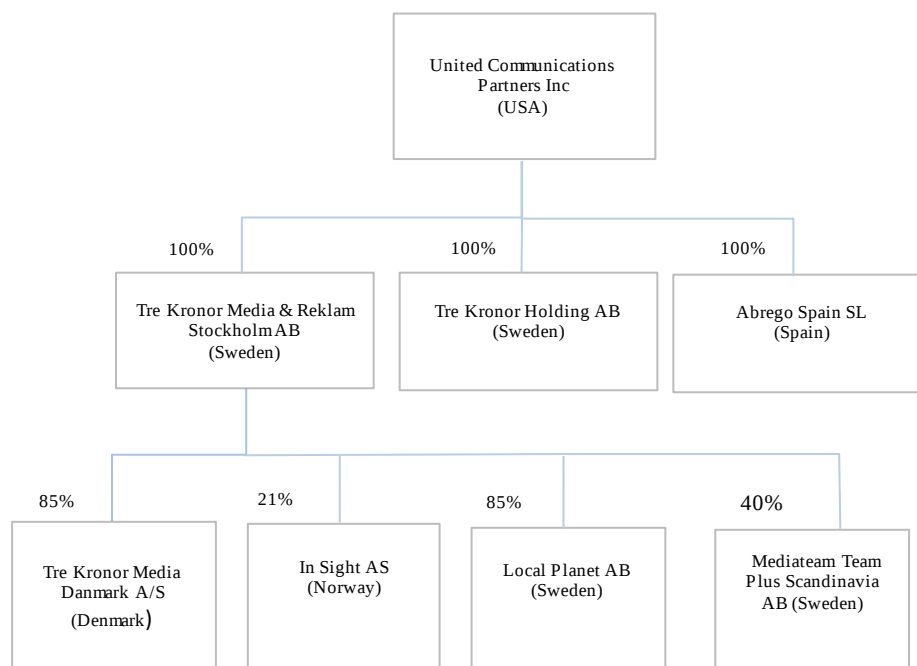
On April 15, 2016, TKM, entered into a Subscription agreement and a Shareholders agreement with Local Planet International Limited, as part of participating in forming a new international media agency network. The agreements gives TKM the right to become a shareholder in the new network in March 2018. Final decision whether TKM shall execute the Subscription agreement needs to be made by the board of the Company before December 31, 2017.

Media Team Plus Scandinavia AB

On April 12, 2017, TKM acquired 40% of the shares in Media Team Plus Scandinavia AB (MTP), a joint venture together with Serviceplan International GMBH & CO. KG (a German Company). The total combined capital of MTP is SEK 50,000 (approx. \$5,652), whereof TKM has an interest of SEK 20,000 (approx. \$2,261). The objective of the joint venture is to generate synergies, provide a representative for Serviceplan's international clients in Sweden and throughout the Nordic region, and to enable TKM to handle conflicted Swedish and Nordic clients. Operations in MTP will start gradually in the autumn 2017.

Corporate Structure

The Company's corporate organization as of June 30, 2017, is reflected in the following chart:



Business

United Communications Partners and its subsidiaries (collectively, the "Company") offer its customers a network of advertising, media and other communication services. The Company's strategy is to acquire mid-size or make equity investments in well-established businesses throughout Europe in order to form a European network of communication agencies.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern.

During the six months ended June 30, 2017 and 2016, the Company incurred a net profit of \$428,000 and a net profit of \$17,000 respectively. The Company continues to operate with a working capital deficiency (approximately \$3,389,000 at June 30, 2017), and has limited financial resources available to pay ongoing financial obligations as they become due.

The Company's current source of funding, in addition to cash on hand, is any cash derived from operations and an operating line of credit of approximately \$2,265,000. However, the Company will require additional financing to conduct its business in accordance with its plan of operations on a long-term basis.

These conditions raise doubt about the Company's ability to continue as a going concern. Accordingly, the accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplates continuation of the Company as a going concern and the realization of assets and the satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the consolidated financial statements do not necessarily purport to represent realizable or settlement values. These consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Note 2 – Summary of Significant Accounting Policies

Basis of presentation

The unaudited consolidated financial statements as of June 30, 2017 and 2016 include the accounts of UCP and its wholly owned subsidiaries as described in Note 1. All intercompany transactions and balances have been eliminated in the consolidated financial information provided.

These unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and related notes thereto included in the Company's Annual Report for the year ended December 31, 2016. The Company's accounting policies are described in the Notes of the consolidated financial statements in its Annual report for the year ended December 31, 2016 and updated, as necessary, in this Quarterly Report.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reported period. The Company evaluates all of its estimates on an on-going basis.

Significant estimates and assumptions include the valuation of acquired assets including goodwill, the useful lives of assets, revenue recognition, income tax valuation, stock valuation, debt discounts on notes payable, other intangible assets and bad debts. It is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation or set of circumstances that existed at the date of the consolidated financial statements, which management considered in formulating its estimate could change in the near term due to one or more future confirming events. Accordingly, actual results could differ in the near term from these estimates, and such differences could be material.

Revenue recognition

Most of the Company's client contracts are individually negotiated and accordingly, the terms of client engagements and the bases on which the Company earns commissions and fees vary significantly. Direct costs include fees paid to external suppliers where they are retained to perform part of or all of a specific project for a client and the resulting expenditure is directly attributable to the revenue earned. Revenue is stated exclusive of VAT (value added tax), sales taxes and trade discounts.

The Company's revenue is typically derived from commissions on media placements and fees for advertising and media services. Revenue may consist of various arrangements involving fixed fees, commissions, or incentive-based revenue, as agreed upon with each client. The Company also earns commissions from referrals of services to other vendors, marketing agencies, who ultimately provide the end service to the customer. Commissions are generally earned on the date of broadcast or publication.

Revenue for the Company's fixed-fee contracts is recognized when all of the following criteria are satisfied: (i) persuasive evidence of an arrangement exists; (ii) the price is fixed or determinable; (iii) collectability is reasonably assured; and (iv) services have been performed. Depending on the terms of a client contract, fees for services performed can be recognized in two principal ways: proportional performance or completed contract.

- Fixed-fee contracts are generally recognized as earned based on the proportional performance method of revenue recognition. In assessing contract performance, both input and output criteria are reviewed. Costs incurred are used as an objective input measure of performance. The primary input of all work performed under these arrangements is labor. As a result of the relationship between labor and cost, there is normally a direct relationship between costs incurred and the proportion of the contract performed to date. Costs incurred as a proportion of expected total costs is used as an initial proportional performance measure. This indicative proportional performance measure is always subsequently validated against other more subjective criteria (i.e. relevant output measures) such as the percentage of interviews completed, percentage of reports delivered to a client and the

achievement of any project milestones stipulated in the contract. In the event of divergence between the objective and more subjective measures, the more subjective measures take precedence since these are output measures.

- Certain fees (such as for marketing services related to rebates offered by clients to their external customers) are deferred until contract completion, as the final act is so significant in relation to the service transaction taken as a whole. Fees are also recognized on a completed contract basis if any of the criteria of the Financial Accounting Standards Board (FASB), Accounting Standard Codification (ASC) 605-10-S99, *Revenue Recognition*, were not satisfied prior to job completion or if the terms of the contract do not otherwise qualify for proportional performance.

Incentive-based revenue typically comprises quantitative criteria. Revenue is recognized when the quantitative targets have been achieved.

In compliance with FASB ASC 605-45 *Principal Agent Considerations*, Reporting Revenue Gross as a Principal versus Net as an Agent, the Company assess whether its agency or the third-party supplier is the primary obligor. The Company evaluate the terms of its client agreements as part of this assessment. In addition, the Company gives appropriate consideration to other key indicators such as latitude in establishing price, discretion in supplier selection and credit risk to the vendor. For a substantial portion of its client contracts the Company acts as principal as the Company are the primary obligor and bear credit risk related to the services it provide. In these contracts the Company record revenues and costs of revenues gross. In certain contracts the Company records a net amount principally on those contracts where the Company only earns a commission.

Impairment of Long-Lived Assets

The Company annually, or whenever events or changes in circumstances indicate that the carrying amounts of such assets may not be recoverable, assesses the carrying value of long-lived assets in accordance with Financial Accounting Standards Board ("FASB") issued ASC 360-10. The Company evaluates the recoverability of long-lived assets not held for sale by measuring the carrying amount of the assets against the estimated undiscounted future cash flows associated with them. If such evaluations indicate that the future discounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their estimated fair values.

Goodwill and Intangible assets – Finite lives

The Company accounts for its acquisitions utilizing the purchase method of accounting. Under the purchase method of accounting, the total consideration paid is allocated to the underlying assets and liabilities, based on their respective estimated fair values. The excess of purchase price over the estimated fair values of the net assets acquired is recorded as goodwill. Determining the fair value of certain acquired assets and liabilities, identifiable intangible assets in particular, is subjective in nature and often involves the use of significant estimates assumptions. Finite-lived identifiable intangible assets are amortized over its expected life on a straight-line basis, as this basis approximates the expected cash flows from the Company's existing finite-lived identifiable intangible assets over the expected future.

UCP acquired all the shares of TKM on May 4, 2010. The acquisition was completed pursuant to a share transfer agreement entered into between UCP and the shareholders of TKM. The Company recorded goodwill in connection with the excess cost over fair value of the net assets acquired.

Goodwill is accounted for under FASB ASC 350, *Goodwill and other*. Under FASB ASC 350, the Company's goodwill is tested for impairment on an annual basis or whenever facts or circumstances indicate that the carrying amounts may not be recoverable. The Company elected to conduct its impairment tests in March. The Company's reporting unit is tested individually for impairment by comparing the fair value of the reporting unit with the carrying value of that unit. Fair value is determined based on a valuation study performed by the Company using the discounted cash flow method and the estimated market values of the reporting units. During the year ended December 31, 2012 goodwill related to the Company's acquisition of TKM was impaired by \$756,000 due to decreased profit expectations for fiscal 2012 through 2016. During the year ended December 31, 2016 and 2015 respectively there was no impairment of goodwill. There was no impairment of goodwill during the six months ended June 30, 2017.

Equity investments

Investments in business entities in which the Company lacks a controlling financial interest but does have the ability to exercise significant influence over operating and financial policies are accounted for using the equity method in accordance with ASC-323, *Investments—Equity Method and Joint Ventures*.

The Company's proportionate share of net income or loss of such entity is recorded in "Income from equity investment" and "Loss from equity investment" included in "Other income (expense), net" on the Consolidated Statements of Operations.

Non-controlling interest

Certain consolidated subsidiaries of UCP issued equity shares to parties unrelated to the Company. The Company accounts for such transactions in accordance with FASB ASC-810, *Consolidation*. FASB ASC-810 requires that the difference between the carrying amount of the Company's investment in the subsidiary and the underlying net book value of the subsidiary, after the issuance of the shares, be recognized either as a gain or loss in the consolidated statement of operations or as a capital transaction. In these instances it is the Company's policy to consider gains and losses arising from such issuances of shares by a subsidiary as a capital transaction; as such no gain or loss is recognized in the statement of operations.

In instances where subsidiary shares issued are redeemable, the Non-controlling interest is recorded in accordance with FASB ASC-810, at the higher of (1) the redemption value required to be paid by the Company or (2) the amount that would result from applying consolidation accounting under FASB ASC-810. Adjustments recorded by the Company in relation to the recording of these costs are recorded within additional paid-in capital.

The Company recorded non-controlling interest in conjunction with Tre Kronor Media Danmark A/S and Local Planet AB as of June 30, 2017.

Foreign Currency

The Company has determined Swedish Kronor is the functional currency of its foreign operations. Accordingly, the foreign subsidiaries income and expenses are translated into U.S. dollars ("dollars"), the reporting currency of the Company, at the average rates of exchange prevailing during the year. The assets and liabilities are translated into U.S. dollars at the rates of exchange at the balance sheet date and the related translation adjustments are included in accumulated other comprehensive income.

Profit (Loss) per Share

Basic net profit (loss) per share has been calculated by dividing net profit (loss) by the weighted average number of common shares outstanding during the period.

Segment Information

FASB ASC-280 *Segment Reporting, Disclosures about Segments of an Enterprise and Related Information*, establishes standards for reporting information on operating segments in interim and annual financial statements. The Company operates in one segment, which is providing advertising and media services and primarily conducting its business in Sweden. The Company's chief operating decision-maker reviews the Company's operating results on an aggregate basis and manages the Company's operations as a single operating segment.

Recent Accounting Pronouncements

There were various other updates recently issued, most of which represented technical corrections to accounting literature or application to specific industries and are not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

Note 3 – Equity Method Investments

In Sight AS

On October 31, 2010, TKM advanced SEK 4,756,550 approximately (\$701,000) to acquire 64,500 shares equaling a 30.1% non-controlling financial interest in the Norwegian media company In Sight AS, effective January 1, 2011. In the beginning of 2012 In Sight AS issued 23,500 new shares against cash considerations, thus diluting TKM's non-controlling interest from 30.1% to 27.1%. On September 18, 2012, TKM agreed to dispose 14,500 shares to the management of In Sight AS against a cash consideration of \$222,591 (Norwegian Kronor 1,305,000). Pursuant to the transaction, TKM's non-controlling interest will constitute 21% (50,000 shares). The cash consideration was settled on November 28, 2012.

In March 2017 TKM received a dividend from In Sight AS of approximately \$67,000. In March 2016 TKM received a dividend from In Sight AS of approximately \$76,000.

The following table represents a summary of the changes in the value of the equity investment in In Sight AS (dollars in thousands.)

	June 30, 2017	December 31, 2016
Beginning balance	\$ 603	\$ 685
Dividend received	(67)	(76)
21% of profit (loss)	243	48
Currency adjustment	42	(54)
Ending balance	\$ 821	\$ 603

HowCom AB – former CCCP Media AB

During September 2011, TKM formed a partnership with two unrelated individuals by establishing the Swedish company CCCP Media AB for a combined capital in CCCP AB of SEK 100,000 (\$14,583) in which TKM held a non-controlling interest of 33.3%, which was equivalent to SEK 33,333 (\$4,861). During April 2013, CCCP Media AB acquired the Swedish consulting firm HowCom AB. In conjunction to the acquisition, the name of the company CCCP Media AB was changed to HowCom AB (HC). In connection with the acquisition, HowCom AB participated in the establishing of the Swedish consulting company HowCom Evolution AB (HCE) for a combined capital of SEK 100,000 (approximately \$14,895) in which HowCom AB held a controlling interest of 52%, which was equivalent to SEK 52,000 (approximately \$7,746).

In July 2016 TKM received a dividend from HowCom AB of approximately \$71,000.

In November 2016 TKM sold 5% of its non-controlling interest in HowCom AB, and in December 2016 it sold the remaining 28.3%. The shares were sold to management and staff in HowCom AB, for a total consideration of SEK 3,950,000 (\$434,204), to be paid in full March 31, 2017. The consideration relating to the shares transferred in November was paid in November. Against pledge in the transferred shares, TKM issued a note receivable to the buyers of shares transferred in December for the installment of the payment of SEK 3,500,000 (\$384,742).

As at December 31, 2016, TKM has no equity in HowCom AB.

The following table represents a summary of the changes in the value of the equity investment in HowCom AB (dollars in thousands.)

	June 30, 2017	December 31, 2016
Beginning balance	\$ -	\$ 149
Dividend received	-	(71)
Sale of TKMs non-controlling interest of 33.3%	-	(78)
Currency adjustment	-	-
Ending balance	\$ -	\$ -

Media Team Plus Scandinavia AB

On April 12, 2017, TKM acquired 40% of the shares in Media Team Plus Scandinavia AB (MTP), a joint venture together with Serviceplan International GMBH & CO. KG (a German Company). The total combined capital of MTP is SEK 50,000 (approx. \$5,652), whereof TKM has an interest of SEK 20,000 (approx. \$2,261). The objective of the joint venture is to generate synergies, provide a representative for Serviceplan's international clients in Sweden and throughout the Nordic region, and to enable TKM to handle conflicted Swedish and Nordic clients. Operations in MTP will start gradually in the autumn 2017.

The following table represents a summary of the changes in the value of the equity investment in Media Team Plus Scandinavia AB (dollars in thousands.)

	June 30, 2017	December 31, 2016
TKM acquisition of non-controlling interest of 40%	\$ 2	\$ -
Dividend received	-	-
Share of profit (loss)	-	-
Currency adjustment	-	-
Ending balance	\$ 2	\$ -

Note 4 – Promissory note receivable**Crane Media Limited**

In January 2013 TKM issued a promissory convertible note receivable totaling GBP 420,000 to the UK based marketing, media and advertising consultancy company Crane Media Limited. On February 1, 2013, the note was partially disbursed with GBP 370,000 (approximately \$578,000). By disbursement of GBP 50,000 (approximately \$79,000) on May 2, 2013, the note was fully disbursed. The note bore interest at a rate of 5% per annum and was to mature by the end of 2017. At the same time a Co-operation Agreement was entered into, that granted TKM the option to convert the note in full or partially into, up to 30%, of the issued and outstanding shares in Vision in Media Limited, a subsidiary of Crane Media Limited. The Co-operation Agreement further entitled Crane Media Limited to set-off a referral fee against the note, for 2014, 10% of the annual gross profit generated by clients referred to TKM, and for 2015 and 2016, 20% of the annual gross profit generated. During the six months ended June 30, 2015, it was agreed to set-off \$116,000 of the note receivable.

During the year ended December 31, 2014 the Company accrued interest income from the note of \$34,226. The accrued interest income was classified as a part of interest expenses. The Company made a provision for the full amount receivable on the promissory note based on information on the development of the business in Crane Media Limited and Vision in Media Limited in year 2015. Due to the provision, no interest was accrued for 2015. In 2016 Crane Media Limited and Vision in Media Limited were dissolved, and consequently the notes receivable was written off.

The following table represents a summary of the changes in the Promissory note receivable to Crane Media Limited (dollars in thousands.)

	June 30, 2017	December 31, 2016
Beginning balance	\$ -	\$ 459
Set-off referral fee	-	-
Currency adjustment	-	(11)
	\$ -	\$ 448
Provision	\$ -	\$ -
Loss from note receivable	\$ -	\$ (448)
Ending balance	\$ -	\$ -

Nyheter365 Holding AB

On September 5, 2014, TKM sold its shares (80%) in Nyheter365 to Nyheter365 Holding AB. The sale agreement incorporated a consideration to be paid in two installments, one installment was made on the date of the transfer of shares and the second installment was to be paid at the latest September 1, 2017. TKM issued a note receivable to the buyer for the second installment of \$440,000, against pledge in the transferred shares. The note bore interest at a rate of 4% per annum.

At January 28, 2016, Nyheter365 Holding AB paid the outstanding amount and accrued interest on the promissory note receivable. At December 31, 2016, the net carrying amount of the promissory note is \$nil.

The following table represents a summary of the changes in the Note receivable to Nyheter365 Holding AB (dollars in thousands.)

	June 30, 2017	December 31, 2016
Beginning balance	\$ -	\$ 410
Issued Note receivable	-	-
Accrued interest	-	-
Payment from Nyheter365 Holding AB	-	(410)
Currency adjustment	-	-
Ending balance	\$ -	\$ -

Buyers of HowCom AB

On December, 29, 2016, TKM sold its shares (28.3%) in Howcom AB. The sale agreement incorporated the consideration to be paid at the latest March 31, 2017. Against pledge in the transferred shares, TKM issued notes receivables to the buyers for the installment of \$412,224. The note carry no interest.

At December 31, 2016, the net carrying amount of the promissory note was \$384,742. The notes receivables were settled by March 31, 2017. As of March 31, 2017, and June 30, 2017, the net carrying amount of the promissory note is \$nil.

The following table represents a summary of the changes in the Notes receivables to the buyers of HowCom AB (dollars in thousands.)

	June 30, 2017	December 31, 2016
Beginning balance	\$ 385	\$ -
Issued Note receivable	-	385
Payment from buyers of Howcom AB	(392)	-
Currency adjustment	7	-
Ending balance	\$ -	\$ 385

Note 5 - Other intangible assets

In accordance with ASC 805, Business Combinations, the Company has identified and recognized trade name and customer relationships in Tre Kronor as intangible assets. Based on a discounted cash flow model the fair value of the intangible assets was determined to be \$610,000 and \$220,000 respectively, both having a useful life of 5 years. At December 31, 2016 and 2015, the net carrying amount of intangible assets related to the acquisition of TKM was \$nil and \$nil respectively.

Note 6 - Concentration of Credit Risk

Credit risk represents the loss that would be recognized if counterparties failed to completely perform as contracted.

During the six months ended June 30, 2017, customer AG, AR, AM and AF accounted for approximately 23%, 19%, 11% and 10% of revenue, respectively. During the six months ended June 30, 2016, customer AF, AR, AG and AM accounted for approximately 19%, 18%, 14% and 13% of revenue, respectively. No other customers individually represented more than 10% of revenue for any period presented.

As of June 30, 2017, customers AF, AG and AM accounted for approximately 26%, 19% and 15% of the Company's accounts receivables, respectively. As of June 30, 2016, customers AM, AG, AF and AR accounted for approximately 23%, 18%, 15% and 13% of the Company's accounts receivables, respectively. No other customers individually represented more than 10% of accounts receivables at the end of any period presented.

The Company's loss of these or other customers, or any decrease in sales to these or other customers, could have a material adverse effect on the Company's business, financial condition or results of operations.

The Company monitors its exposure to customers to minimize potential credit losses.

The Company maintains cash and cash equivalent balances at several financial institutions throughout its operating area, and at times, may exceed insurance limits and expose the Company to credit risk. As part of its cash management process, the Company periodically reviews the relative credit standing of these financial institutions.

The Company's cash and cash equivalent balances are maintained at financial institutions located in Sweden, Denmark and Spain. All cash balances as of June 30, 2017, were held in bank accounts outside the United States of America.

Note 7 – Non-controlling interests

For consolidated majority-owned subsidiaries in which the Company owns less than 100% of the total outstanding shares, the Company recognizes a non-controlling interest for the ownership interest of the minority holders.

Tre Kronor Media Danmark A/S

On February 11, 2013, TKM participated in the establishing of the Danish media company Tre Kronor Media Danmark A/S (TKMDK). TKMDK was established with a combined capital of Danish Kroner 500,000, (approximately \$86,200), in which TKM held a controlling interest of 80%, which is equivalent to DKK 400,000, (approximately \$69,000). On November 23, 2016, TKM acquired further 5% of the shares at nominal value from Howcom AB. As of December 31, 2016, TKM has a controlling interest of 85% in TKMDK, which is equivalent to DKK 425,000 (approximately \$73,270).

Local Planet AB

On May 2, 2016, TKM participated in the establishing of the Swedish media company Local Planet AB (LP). LP was established with a combined capital of SEK 50,000 (approximately \$6,000) in which TKM initially held a controlling interest of 92.4%, which was equivalent to SEK 46,200 (approximately \$5,544). On November 8, 2016, TKM sold a further 7.4% of the shares at nominal value to management. As of December 31, 2016, TKM has a controlling interest of 85% in LP, which is equivalent to SEK 42,500 (approximately \$5,100).

The change in carrying amount of Non-Controlling interest is as follows (dollars in thousands):

	As of June 30, 2017	As of December 31, 2016
Balance at beginning of period	\$ (29)	\$ (54)
15% shares in LP at par value	-	1
5% shares in TKMDK at par value	-	4
Profit (loss) attributable to Non-Controlling interest	6	23
Currency adjustment	(2)	(3)
Balance at end of period	\$ (25)	\$ (29)

Note 8 - Fair Value Measurement

Valuation Hierarchy

ASC 820 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument. Level 3 inputs are unobservable inputs based on the Company's own assumptions used to measure assets and liabilities at fair value. A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.

The following table represents the assets and liabilities carried at fair value (dollars in thousands) measured on a recurring and non-recurring basis as of June 30, 2017:

	Total Carrying Value at December 31, 2016	Fair Value Measurements at June 30, 2017		
		Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Contingent Consideration	\$ -	\$ -	\$ -	\$ -
Goodwill	\$ 2,954	\$ -	\$ -	\$ 2,954

Goodwill is measured at fair value on a non-recurring basis using discounted cash flows and is classified within level 3 of the value hierarchy.

	June 30, 2017	December 31, 2016
Beginning balance – Contingent consideration	\$ -	\$ -
Recorded contingent consideration	-	-
Net unrealized loss on change in fair value of contingent consideration	-	-
Ending balance – Contingent consideration	\$ -	\$ -

The following table represents a summary of the changes in the fair value of goodwill measured at fair value on a non-recurring basis (dollars in thousands.)

	June 30, 2017	December 31, 2016
Beginning balance	\$ 2,954	\$ 2,954
Acquired	-	-
Impaired	-	-
Currency adjustment	-	-
Ending balance	\$ 2,954	\$ 2,954

During the year ended December 31, 2012, the Company impaired goodwill related to the Company's acquisition of TKM by \$756,000, due to decreased profit expectations for fiscal 2012 through 2016.

Note 9 – Notes Payable

Notes payable consist of the following (dollars in thousands):

<u>Loan reference</u>	<u>Maturity Date</u>	<u>As of June 30, 2017</u>	<u>As of December 31, 2016</u>
Promissory notes	January 2009	\$ -	\$ -
Total		-	-
Less: Current portion		-	-
Long-term portion of debt		\$ -	\$ -

Note 10 – Line of Credit

The Company has a floating rate line of credit facility with SEB Bank in the amount of \$2,265,000. As of June 30, 2017, the amount outstanding, under this line of credit facility, was \$260,268. The rate of interest payable under the line of credit facility is presently 3% per annum.

Note 11 – Stock Based Compensation

In the first quarter of 2011 and during the years 2010 and 2009 the company issued 258,000, 1,250,000 and 3,000,000 shares of common stock respectively to eight consultants for services rendered during the period from 2009 through 2012. The total market value of the shares, on the date of signing the agreements, was \$653,740. During the year ended December 31, 2016 and 2015, the Company expensed \$-(nil) and \$-(nil) respectively as selling, general and administrative expenses. As of June 30, 2017, there is no unrecognized compensation costs related to the issuance.

Note 12 - Related Party Transactions

Fee to former Chairman and Secretary of the Board

In November 2011 the Company recognized that former Chairman, was entitled to receive a fee for services rendered during 2008, 2009 and 2010 at a total amount of \$188,346 which was classified as a component of selling, general and administrative expenses in the year ended December 31, 2011. At December 31, 2016, and December 31, 2015, former Chairman had a receivable of \$nil and \$1,624 respectively which was classified in advances from related parties. At June 30, 2017, the former Chairman has no receivable.

Fee to the Chairman of the Board

During the year ended December 31, 2016, the Chairman of the Board received a fee of \$23,366 through a company controlled by the Chairman of the Board. The fee was classified as a component of selling, general and administrative expenses. During the six months ended June 30, 2017, the Chairman of the Board received a fee of \$11,501 through a company controlled by the Chairman of the Board. The fee is classified as a component of selling, general and administrative expenses.

Fee to the CEO and Director of the Board, former President and Chairman of the Board

According to the Share Purchase Agreement with the former shareholders of Tre Kronor, the Company was committed to pay an aggregate amount of SEK 3,000,000 (\$387,000) to the president and Chairman of the Board against redemption of a portion of his shares. The Company agreed to extend the redemption of the share

portion to December 31, 2013. During the year ended December 31, 2010 the Company advanced a payment of \$387,000 to him. At December 31, 2011, such advance was classified as a component of the Company's Stockholders Equity as Notes Receivable from Affiliate. During the fourth quarter of 2012 the redemption agreement was annulled and the president and chairman of the board settled the Note Receivable by repaying the advanced payment of \$387,000 in cash.

During the year ended December 31, 2016, the CEO and Director of the Board, former President and Chairman of the Board, received a fee of \$77 400 through a company controlled by the CEO and Director of the Board. The fee was classified as a component of selling, general and administrative expenses. During the six months ended June 30, 2017, the CEO and Director of the Board has received a fee of \$nil.

Fee to the Secretary and Director of the Board

During the year ended December 31, 2016, the Secretary and Director of the Board received a fee of \$50,608 through a company controlled by the Secretary and Director of the Board. The fee was classified as a component of selling, general and administrative expenses. During the six months ended June 30, 2017, the Secretary and Director of the Board has received a fee of \$nil.

Note 13 - Subsequent Events

Management has evaluated subsequent events to determine if events or transactions occurring through August 15, 2017, the date these financial statements were available to be issued, require potential adjustments to or disclosure in the consolidated financial statements and has concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

UNITED COMMUNICATIONS PARTNERS INC
291 Broadway, Suite 302, New York, NY10007, USA

Certifications

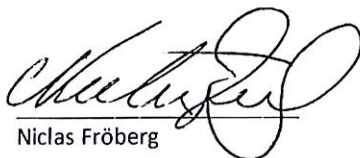
We, Niclas Fröberg, Lars Bönnelyche, Lars Blomberg and Kenneth Rosenthal, certify that:

1. We have reviewed this financial statement of United Communications Partners Inc.
2. Based on our knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement.
3. Based on our knowledge, the financial statements and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects, the financial condition, results of operations and cash flows of the issuer as of and for, the periods presented in this disclosure statement.

Date: August 15, 2017.

UNITED COMMUNICATIONS PARTNERS INC.

/s/Niclas Fröberg


Niclas Fröberg

/s/ Lars Bönnelyche


Lars Bönnelyche

/s/Lars Blomberg


Lars Blomberg

/s/ Kenneth Rosenthal


Kenneth Rosenthal