



Reviplan A/S


Kontrapunkt Group A/S

**Nikolaj Plads 2, 4. sal
1067 København K**

Central Business Registration no. 10 17 92 38

Annual Report for 2018

The Annual Report was presented and
adopted at the Annual General Meeting
of the Company on 28/05 2019



Flemming Mortensen
Chairman



Statsautoriserede revisorer

Reviplan A/S

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Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Kontrapunkt Group A/S for the financial year 1 January - 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.


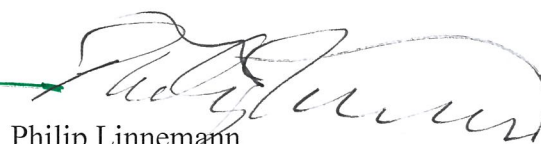
In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 28 May 2019

Executive board

	
Thomas Bandolowski Gamst Managing Director	Philip Linnemann Executive Design Director

Supervisory board

		
Charles Andrew Robert Still chairman	Kim Meyer Andersen deputy chairman	Bo Jul Linnemann general partner
		
Thomas Bandolowski Gamst general partner	Philip Linnemann general partner	Ole Nellesmann Kruuse general partner
		
Casper Overgaard-Hansen general partner	Tork Eskild Furhauge general partner	Lars Erik Larson general partner
		
Christian Moe Halsted general partner		

Independent auditor's report

To the shareholders of Kontrapunkt Group A/S

Opinion

We have audited the financial statements of Kontrapunkt Group A/S for the financial year 1 January - 31 December 2018, which comprise a summary of significant accounting policies, income statement, balance sheet and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements, that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Køge, 28 May 2019

Reviplan A/S
Statsautoriserede revisorer
CVR no. 37 67 02 19



Hanne Kjærboelling
State Authorised Public Accountant
MNE no. mne10024

Company details

The company

Kontrapunkt Group A/S
Nikolaj Plads 2, 4. sal
1067 København K

Telephone: 33 93 18 83

Website: www.kontrapunkt.com

CVR no.: 10 17 92 38

Reporting period: 1 January - 31 December 2018

Domicile: Copenhagen

Supervisory board

Charles Andrew Robert Still, chairman
Kim Meyer Andersen, deputy chairman
Bo Jul Linnemann, general partner
Thomas Bandolowski Gamst, general partner
Philip Linnemann, general partner
Ole Nellesmann Kruuse, general partner
Casper Overgaard-Hansen, general partner
Tørk Eskild Furhauge, general partner
Lars Erik Larson, general partner
Christian Moe Halsted, general partner

Executive board

Thomas Bandolowski Gamst
Philip Linnemann

Auditors

Reviplan A/S
Statsautoriserede revisorer
Quistgårdsvej 21
4600 Køge

Management's review

Business activities

Kontrapunkt Group A/S is an independent brand design agency operating from offices in Copenhagen and Tokyo. We design holistic brand experiences for corporate and consumer brands to excite people and create real value for users and businesses. We work with ambitious leaders to inspire genuine change and to catalyse transformation in global industries.

The company is an A-Z partner; developing as well as implementing identities and onboarding the organisation in the process. From the brand strategy, visual identity and tone-of-voice to the activation on all touchpoints - whether it is designing dealership stores, digital services, engaging all employees globally in making the new employer brand come to life or it is an annual report.

The company core areas of expertise are:

Brand strategy including research, analysis, sparring, facilitation, communication strategy, UX, UI, copywriting, brand architecture, purpose development etc.

Identity design including visual, verbal, motion, spatial, sound and naming.

Experience design from developing digital products and services to interior design, signage to graphic design, websites and internal anchoring and activation.

The company has on January 1, 2018 made demerger of the company's activity of services related to brand strategy and design specializing in "consumer packed goods", and related activities.

The demerger of the company's activity of services related to brand strategy and design has increased the intangible fixed assets with TDKK 4.764, reduced the company's other assets with TDKK 6.997, reduced the company's debt with TDKK 3.977, increases the company's deferred tax with TDKK 12, net impact on equity is a reduction of TDKK 1.732.

Business review

The company's income statement for the year ended 31 December shows a profit of DKK 6.436.399, and the balance sheet at 31 December 2018 shows equity of DKK 13.290.166.

Profit for the year is considered satisfactory.

Disclosure of treasury shares

Information on treasury shares acquired

Number of treasury shares acquired: 218.041 shares

Nominal value of treasury acquired 218.041 DKK

Purchase price of treasury shares acquired: 4.451.219 DKK

Management's review

Explanation of reason for acquisition of treasury shares: Own shares have been acquired as part of generational change and future change of ownership

Accounting policies

The annual report of Kontrapunkt Group A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

As a consequence of the demerger on January 1 2018, the intangible fixed assets has increased with TDKK 4.764, the company's other assets has been reduced with TDKK 6.997, reduced the company's debt with TDKK 3.977, increases the company's deferred tax with TDKK 12, net impact on equity is a reduction of TDKK 1.732.

The annual report for 2018 is presented in DKK

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Accounting policies

Gross profit reflects an aggregation of revenue, changes in work in progress and other operating income less other external expenses.

Revenue

Revenue from services is recognized in line with the performance of the work. Net sales are calculated including expenses for customers and exclusive VAT.

Other external costs

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under leases, etc.

Staff costs

Staff costs include wages and salaries as well as payroll expenses other than production wages.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of leasehold improvements and equipment.

Financial income and expenses

Financial income and expenses include interest, capital and exchange gains and losses on securities, debts and foreign currency transactions, amortisation of mortgage loan and surcharges and allowances under the tax prepayment scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge is recognised in the income statement.

Balance sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed to be 5 years. The amortisation period is based on an assessment of the acquiree's market position and earnings capacity.

Accounting policies

Tangible assets

Items of leasehold improvements, machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Other fixtures, fittings, tools and equipment	3-5 years	0 %
Leasehold improvements	5 years	0 %

Gains or losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses, respectively.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method.

Investments in subsidiaries and associates with a negative net asset value are measured at DKK 0, and the carrying amount of any receivables from these entities is reduced to the extent that they are considered irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the receivable, the balance is recognised under provisions.

Net revaluations of investments in subsidiaries and associates are taken to the net revaluation reserve according to the equity method in so far as that the carrying amount exceeds the cost. Dividends from subsidiaries which are expected to be declared before the annual report of Kontrapunkt Group A/S is adopted are not taken to the net revaluation reserve.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired.

Accounting policies

Contract work in progress

Contract work in progress is measured at the selling price of the work performed.

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method in the company's financial statements comprises net revaluation of investments in subsidiaries and associates relative to the cost.

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Accounting policies

Liabilities are measured at net realizable value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Foreign exchange adjustments of balances with separate entities which are considered part of the investment in the subsidiary are taken directly to equity. Correspondingly, foreign exchange gains and losses on loans and derivative financial instruments entered into to hedge net investments in such entities are taken directly to equity.

Income statement 1 January 2018 - 31 December 2018

	Note	2018 DKK	2017 TDKK
Gross profit		40.781.839	43.583
Staff costs	1	-31.453.799	-36.989
Depreciation, amortisation and impairment of plant and equipment		-1.452.517	-537
Profit/loss before net financials		7.875.523	6.057
Income from investments in subsidiaries		149.269	-55
Financial income		418.590	0
Financial costs		-181.469	-523
Profit/loss before tax		8.261.913	5.479
Tax on profit/loss for the year		-1.825.514	-1.215
Profit/loss for the year		6.436.399	4.264
Proposed dividend for the year		0	1.000
Reserve for net revaluation under the equity method		149.269	-55
Retained earnings		6.287.130	3.319
		6.436.399	4.264

Balance sheet at 31 December 2018

	Note	2018 DKK	2017 TDKK
Assets			
Goodwill		3.811.943	0
Intangible assets		3.811.943	0
Other fixtures and fittings, tools and equipment		1.002.527	1.419
Leasehold improvements		28.599	49
Tangible assets		1.031.126	1.468
Investments in subsidiaries	2	645.671	399
Deposits		569.476	572
Fixed asset investments		1.215.147	971
Total non-current assets		6.058.216	2.439
Trade receivables		9.829.689	15.238
Contract work in progress	3	4.697.944	7.261
Receivables from subsidiaries		6.078.805	4.971
Other receivables		387.078	273
Prepayments		491.288	389
Receivables		21.484.804	28.132
Cash at bank and in hand		4.303.207	806
Total current assets		25.788.011	28.938
Total assets		31.846.227	31.377

Balance sheet at 31 December 2018

	Note	2018 DKK	2017 TDKK
Equity and liabilities			
Share capital		718.041	718
Reserve for net revaluation under the equity method		351.331	105
Retained earnings		12.220.794	8.652
Proposed dividend for the year		0	1.000
Equity	4	13.290.166	10.475
Provision for deferred tax		2.079.995	2.021
Total provisions		2.079.995	2.021
Mortgage loans		0	2.922
Total non-current liabilities		0	2.922
Mortgage loans		442.869	960
Banks		0	70
Trade payables		1.825.081	3.523
Prepayments received recognised in debt	3	2.517.936	3.519
Payables to affiliated companies		1.557.090	0
Corporation tax		1.748.655	100
Other payables		8.384.435	7.787
Total current liabilities		16.476.066	15.959
Total liabilities		16.476.066	18.881
Total equity and liabilities		31.846.227	31.377
Contingencies, etc.	5		
Mortgages and collateral	6		

Notes

	2018 DKK	2017 TDKK
1 Staff costs		
Wages and salaries	27.566.021	33.319
Pensions	2.276.083	2.452
Other social security costs	407.853	380
Other staff costs	1.203.842	838
	31.453.799	36.989
 Average number of employees	 53	 63
 2 Investments in subsidiaries		
Cost at 1 January 2018	294.340	294
Cost at 31 December 2018	294.340	294
 Revaluations at 1 January 2018	 104.962	 203
Exchange adjustments	97.100	-43
Income for the year	149.269	-55
Revaluations at 31 December 2018	351.331	105
 Carrying amount at 31 December 2018	 645.671	 399

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
Kabushiki Kaisha Kontrapunkt Japan	Aoyama, Tokyo, Japan	100%	645.671	149.269

Notes

	<u>2018</u> DKK	<u>2017</u> TDKK
3 Contract work in progress		
Work in progress, selling price	9.437.580	15.971
Work in progress, payments received on account	<u>-4.739.636</u>	<u>-8.710</u>
	<u>4.697.944</u>	<u>7.261</u>
Recognised in the balance sheet as follows:		
Contract work in progress recognised in assets	4.697.944	7.261
Prepayments received under liabilities	<u>-2.517.936</u>	<u>-3.519</u>
	<u>2.180.008</u>	<u>3.742</u>

Notes

4 Equity

	Share capital	Reserve for net revalua- tion under the equity method	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2018	718.041	104.962	8.652.125	1.000.000	10.475.128
Net effect from demerger and business sale under the uniting of interests method	0	0	1.732.758	0	1.732.758
Adjusted equity at 1 January 2018	718.041	104.962	10.384.883	1.000.000	12.207.886
Exchange adjustments	0	97.100	0	0	97.100
Ordinary dividend paid	0	0	0	-1.000.000	-1.000.000
Purchase of treasury shares	0	0	-4.451.219	0	-4.451.219
Net profit/loss for the year	0	149.269	6.287.130	0	6.436.399
Equity at 31 December 2018	718.041	351.331	12.220.794	0	13.290.166

Notes

5 Contingencies, etc.

The company has entered into operating leases for the following amounts.

The company has assumed rent obligations, the obligation at the balance sheet date amounts to DKK 1.449.000.

(Guarantees for supplies of goods are stated for amounts exceeding amounts expensed in the financial statements as provisions).

The company is jointly taxed with BJL ApS (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2018 onwards as well as for payment of withholding taxes on dividends, interest and royalties.

6 Mortgages and collateral

As security for the rent were submitted by bank guarantee, nom. DKK 500.000.

For the security of bank debt of DKK 443.000 the company has made a company mortgage amounts DKK 6.000.000.

The company has pledged the following assets whose amount at the balance sheet date are:

Receivables DKK 9.830.000, Tangible and intangible assets DKK 4.843.000