CEWE-PRINT Nordic A/S

c/o CEWE Nordic ApS, Søren Frichs Vej 38 K 8230 Åbyhøj

CVR no. 12 47 70 82

Annual report 2017

The annual report was presented and approved at the Company's annual general meeting on

3 May 2018

Patrick Lucien Pierre Yves Berkhouwer

chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of CEWE-PRINT Nordic A/S for the financial year 1 January – 31 December 2017.

The annual report has been 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 assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Åbyhøj, 3 May 2018 Executive Board:

Ane Gyldholm Jensen

Board of Directors:

Patrick Lucien Pierre Yves

Ane Gyldholm Jensen

Berkhouwer

Chairman

Jean-Paul Vern

2

Matthias Mess



Independent auditor's report

To the shareholders of CEWE-PRINT Nordic A/S

Opinion

We have audited the financial statements of CEWE-PRINT Nordic A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet and notes, including accounting policies. The financial statements are 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 assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of 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.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

— identify and assess the risks of material misstatement of the company 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.



Independent auditor's report

- 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.

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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Aarhus, 3 May 2018 **KPMG**Statsautoriseret Revisionspartnerselskab CVR no. 25 57 81 98

Michael Stenskrog State Authorised Public Accountant MNE no. 26819 Michael E. K. Rasmussen State Authorised Public Accountant MNE no. 41364

CEWE-PRINT Nordic A/S

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Management's review

Company details

CEWE-PRINT Nordic A/S c/o CEWE Nordic ApS, Søren Frichs Vej 38 K 8230 Åbyhøj

Telephone:

+45 86 99 14 22

CVR no.:

12 47 70 82

Registered office:

Åbyhøj

Financial year:

1 January - 31 December

Board of Directors

Patrick Lucien Pierre Yves Berkhouwer, Chairman Jean-Paul Vern Matthias Mess Ane Gyldholm Jensen

Executive Board

Ane Gyldholm Jensen

Auditor

KPMG Statsautoriseret Revisionspartnerselskab Bredskifte Allé 13 DK-8210 Aarhus V

Bank

Danske Bank Åboulevarden 69 8000 Aarhus C CEWE-PRINT Nordic A/S Annual report 2017 CVR no. 12 47 70 82

Management's review

Operating review

Principal activities

The Company sells and delivers digital photo solutions.

Development in activities and financial position

For the year under review, the Company reported a profit of DKK 3,091, total assets of DKK 256,169 and equity of DKK 369. This is in line with last year's expectations.

Capital resources

The Company has lost more than 50% of its contributed capital and is therefore subject to section 119 of the Danish Companies Act. Management expects the share capital to be restored through future earnings.

The Parent Company, CEWE DANMARK ApS, has submitted a letter of subordination for their outstanding account against CEWE-PRINT Nordic A/S and declared its intention to provide the neccessary liquidity required for the coming year of operation.

Events after the balance sheet date

No events after the balance sheet date have occurred that may influence the financial statements for 2017.

Outlook

For 2018 the Company expects to report a positive result on same same level as 2017.

Income statement

DKK	Note	2017	2016
Gross profit		4,632	7,623
Operating profit		4,632	7,623
Financial expenses		-1,541	-5,879
Profit before tax		3,091	1,744
Tax on profit for the year		0	0
Profit for the year		3,091	1,744
Proposed profit appropriation			
Retained earnings		3,091	1,744

Balance sheet

DKK	Note	2017	2016
ASSETS			-
Current assets			
Receivables			
Trade receivables		1,272	3,079
Receivables from group entities		1,126	0
Other receivables		11,364	10,800
		13,762	13,879
Cash at bank and in hand		242,407	240,402
Total current assets		256,169	254,281
TOTAL ASSETS		256,169	254,281

Balance sheet

DKK	Note	2017	2016
EQUITY AND LIABILITIES			
Equity			
Contributed capital		2,000,000	2,000,000
Retained earnings	2	-1,999,631	2,002,723
Total equity		369	-2,723
Liabilities other than provisions			
Non-current liabilities other than provisions			
Payables to group entities		247,175	247,175
		247,175	247,175
Current liabilities other than provisions			
Other payables		8,625	9,829
		8,625	9,829
Total liabilities other than provisions		255,800	257,004
TOTAL EQUITY AND LIABILITIES		256,169	254,281

Notes

1 Accounting policies

The annual report of CEWE-PRINT Nordic A/S for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Cost of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Notes

1 Accounting policies (continued)

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation 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 used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable is used as discount rate.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Notes

1 Accounting policies (continued)

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

2 Equity

The contributed capital consists of:

A shares, # shares of nom. DKK # each

B shares, # shares of nom. DKK # each

During the year, # new equity investments of nom. DKK # have been subscribed for.

All shares rank equally.

The Company has lost more than 50% of its contributed capital and is thereby subject to the provisions on loss of capital under the Danish Companies Act. It is Management's expectation that the capital can be restored over operations going forward. If, contrary to expectations, this will not take place, the Company's owners will contribute new capital to restore contributed capital.

Regarding capital loss and capital resources, refer to the Management's review.

3 Staff costs

The Company has had no employees during the period.

4 Contractual obligations, contingencies, etc.

Contingent assets

The Company has a non-recognised tax asset of DKK 1,888 thousand.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax as well as for the joint registration for VAT. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

The Group's Danish entities are jointly and severally liable for the joint registration for VAT.

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Financial statements 1 January - 31 December

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5 Related party disclosures

CEWE-PRINT Nordic A/S is part of the consolidated financial statements of CeWe Stiftung & Co. KGA, Oldenburg, Germany, which is the smallest group in which the Company is included as a subsidiary.

6 Disclosure of capital resources

The Parent Company has submitted a letter of subordination for its outstanding account against CEWE-PRINT Nordic A/S and declared its intention to provide the neccessary liquidity required for the coming year of operation.