

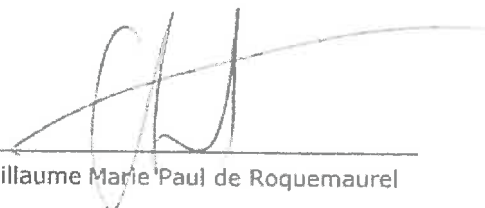
ARTEFACT DENMARK A/S

Pilestræde 52 A, 3.
1112 København K
Business Registration No
26247497

Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

Dirigent



Name: Guillaume Marie Paul de Roquemaurel

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Entity details

Entity

ARTEFACT DENMARK A/S

Pilestræde 52 A, 3.

1112 København K

Central Business Registration No (CVR): 26247497

Registered in: København

Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Guillaume Marie Paul de Roquemaurel, chairman

François Charles Berger De La Villardière

Benjamin Hartmann

Lennert de Rijk

Executive Board

Lennert de Rijk, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 København S

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of ARTEFACT DENMARK A/S for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 31.05.2018

Executive Board



Lennert de Rijk
CEO

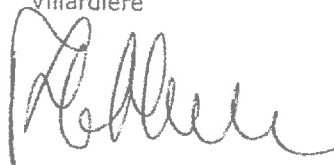
Board of Directors

Guillaume Marie Paul de
Roquemaure
chairman



Lennert de Rijk

François Charles Berger De La
Villardiére



Benjamin Hartmann



Independent auditor's report

To the shareholder of ARTEFACT DENMARK A/S

Opinion

We have audited the financial statements of ARTEFACT DENMARK A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 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 judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

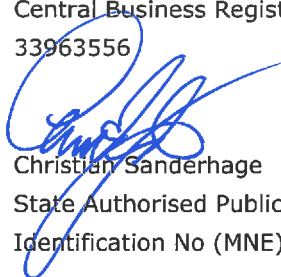
Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 commentary.

København, 31.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556



Christian Sanderhage
State Authorised Public Accountant
Identification No (MNE) mne23347



Henrik Hartmann Olesen
State Authorised Public Accountant
Identification No (MNE) mne34143

Management commentary

Primary activities

As in prior years, the Company's principal activities during the year consist in consulting within digital marketing. Artefact Denmark A/S is part of Artefact S.A., that is among the leading companies in marketing engineering in Europe.

Artefact is a digital agency with focus on marketing engineering. Artefact helps its customers with marketing solutions and drives synergies from digital media, data and AI. The employees are analytic, systematic and results-oriented with an engineering mindset, which ensures the customers' success.

Development in activities and finances

The income statement shows a deficit after tax of DKK 3.237K. The Company's results and financial development have not met the expectations expressed by the former Management.

In the last quarter of 2017 the new management has initiated some changes to recover the business, measurements in cost reduction and development in services more aligned to the Artefact Group. Based on this the management have positive expectations for the years to come.

Letter of support from NetBooster Holding A/S

The Company has received a letter of support from Artefact Holding A/S. Artefact Holding A/S irrevocably undertakes to support the company in fulfilling its obligations until March 31, 2019. Similarly, Artefact Holding A/S has received a letter of support from its parent company Artefact S.A.

Outlook

In the coming years the management aims to recover the business by focusing on cost reductions and building up new business areas already rolled-out in other countries, which Artefact is active in, as well as expanding existing services. The market is growing within digital marketing, and with the new business areas the management have positive expectations for the future and are confident that the business will regain market shares.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Income statement for 2017

	<u>Notes</u>	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
Gross profit		17.781.765	17.307.155
Staff costs	1	(21.056.198)	(20.072.271)
Depreciation, amortisation and impairment losses		<u>(449.757)</u>	<u>(485.851)</u>
Operating profit/loss		(3.724.190)	(3.250.967)
Other financial income	2	1.240.006	772.991
Other financial expenses		<u>(329.256)</u>	<u>(233.358)</u>
Profit/loss before tax		(2.813.440)	(2.711.334)
Tax on profit/loss for the year	3	<u>0</u>	<u>(1.450.000)</u>
Profit/loss for the year		<u>(2.813.440)</u>	<u>(4.161.334)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(2.813.440)</u>	<u>(4.161.334)</u>
		<u>(2.813.440)</u>	<u>(4.161.334)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK</u>
Acquired intangible assets		0	7.264
Intangible assets	4	0	7.264
Other fixtures and fittings, tools and equipment		395.673	597.254
Leasehold improvements		220.587	80.564
Property, plant and equipment	5	616.260	677.818
Receivables from group enterprises		10.279.035	9.964.201
Fixed asset investments	6	10.279.035	9.964.201
Fixed assets		10.895.295	10.649.283
Trade receivables		13.221.507	12.459.176
Contract work in progress	7,8	305.404	950.171
Receivables from group enterprises		19.963.153	23.100.905
Deferred tax		1.250.000	1.250.000
Other receivables		622.458	1.240.309
Receivables		35.362.522	39.000.561
Cash		350.386	3.826
Current assets		35.712.908	39.004.387
Assets		46.608.203	49.653.670

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK</u>	<u>2016</u> <u>DKK</u>
Contributed capital		503.000	503.000
Retained earnings		<u>11.213.632</u>	<u>14.027.072</u>
Equity		<u>11.716.632</u>	<u>14.530.072</u>
Bank loans		4.753.616	3.629.171
Contract work in progress	7,8	2.748.714	1.940.484
Trade payables		10.008.287	15.676.981
Payables to group enterprises		13.752.427	9.735.807
Other payables		<u>3.628.527</u>	<u>4.141.155</u>
Current liabilities other than provisions		<u>34.891.571</u>	<u>35.123.598</u>
Liabilities other than provisions		<u>34.891.571</u>	<u>35.123.598</u>
Equity and liabilities		<u>46.608.203</u>	<u>49.653.670</u>
Unrecognised rental and lease commitments	9		
Contingent liabilities	10		
Assets charged and collateral	11		
Group relations	12		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	503.000	14.027.072	14.530.072
Profit/loss for the year	0	(2.813.440)	(2.813.440)
Equity end of year	503.000	11.213.632	11.716.632

Notes

	2017	2016
	DKK	DKK
1. Staff costs		
Wages and salaries	20.590.632	19.507.406
Pension costs	185.411	252.637
Other social security costs	280.155	312.228
	21.056.198	20.072.271
Average number of employees	45	48
	2017	2016
	DKK	DKK
2. Other financial income		
Financial income arising from group enterprises	866.912	772.953
Other financial income	373.094	38
	1.240.006	772.991
	2017	2016
	DKK	DKK
3. Tax on profit/loss for the year		
Change in deferred tax	0	1.450.000
	0	1.450.000

The company has a significant deferred tax asset relating to losses carried forward that has not been fully recognized in the annual report. The recognized deferred tax asset is based on future use.

Notes

	Acquired intangible assets DKK	
	<u>DKK</u>	
4. Intangible assets		
Cost beginning of year		22.323
Cost end of year		<u>22.323</u>
Amortisation and impairment losses beginning of year		(15.059)
Amortisation for the year		<u>(7.264)</u>
Amortisation and impairment losses end of year		<u>(22.323)</u>
Carrying amount end of year		<u>0</u>
	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
	<u>DKK</u>	<u>DKK</u>
5. Property, plant and equipment		
Cost beginning of year	2.138.392	345.918
Additions	<u>173.958</u>	<u>206.977</u>
Cost end of year	<u>2.312.350</u>	<u>552.895</u>
Depreciation and impairment losses beginning of year	(1.541.138)	(265.354)
Depreciation for the year	<u>(375.539)</u>	<u>(66.954)</u>
Depreciation and impairment losses end of year	<u>(1.916.677)</u>	<u>(332.308)</u>
Carrying amount end of year	<u>395.673</u>	<u>220.587</u>

Notes

	Receivables from group enterprises DKK	
	<u>DKK</u>	
6. Fixed asset investments		
Cost beginning of year		9.964.201
Additions		<u>314.834</u>
Cost end of year		<u>10.279.035</u>
Carrying amount end of year		<u>10.279.035</u>
	2017	2016
	<u>DKK</u>	<u>DKK</u>
7. Contract work in progress		
Contract work in progress	644.404	1.075.368
Progress billings regarding contract work in progress	<u>(339.000)</u>	<u>(125.197)</u>
	<u>305.404</u>	<u>950.171</u>
8. Contract work in progress		
	2017	2016
	<u>DKK</u>	<u>DKK</u>
Contract work in progress	(1.626.207)	(2.977.570)
Foretagne acontofaktureringer	<u>4.374.921</u>	<u>4.918.054</u>
	<u>2.748.714</u>	<u>1.940.484</u>
	2017	2016
	<u>DKK</u>	<u>DKK</u>
9. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	<u>4.901.031</u>	<u>2.574.365</u>

Notes

10. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where ARTEFACT Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

Letter of support from ARTEFACT Holding A/S

The company has received a letter of support from ARTEFACT Holding A/S which irrevocably undertakes to support the company in fulfilling all its obligations until March 31, 2019. Similarly, ARTEFACT Holding A/S has received a letter of support from its parent company ARTEFACT S.A.

11. Assets charged and collateral

For the security of the company's bank debt, a mortgage of DKK 17,000k has been given in the share capital of ARTEFACT Denmark A/S, trade receivables, other fixtures and fittings, tool and equipment and acquired intangible assets.

	2017
	DKK '000
Carrying amount of assets included:	
Trade receivables	13.222
Other fixtures and fittings, tool and equipment	678
Acquired intangible assets	<u>0</u>
Total	<u>13.900</u>

12. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

ARTEFACT S.A., Paris, France, reg.-nr./SIREN 418 267 704.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

ARTEFACT S.A., Paris, France, reg.-nr./SIREN 418 267 704.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, consumables and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Contract work in progress is included in revenue based on the stage of completion so that revenue corresponds to the selling price of the work performed in the financial year (the percentage-of-completion method).

Accounting policies

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of tangible assets.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise acquired intellectual property rights.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Contract work in progress

Contract work in progress is measured at the selling price of the work carried out at the balance sheet date.

The selling price is measured based on the stage of completion and the total estimated income from the individual contracts in progress. Usually, the stage of completion is determined as the ratio of actual to total budgeted consumption of resources.

If the selling price of a project in progress cannot be made up reliably, it is measured at the lower of costs incurred and net realisable value.

Each contract in progress is recognised in the balance sheet under receivables or liabilities other than provisions, depending on whether the net value, calculated as the selling price less prepayments received, is positive or negative.

Costs of sales work and of securing contracts as well as finance costs are recognised in the income statement as incurred.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Accounting policies

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.