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Morningstar Danmark A/S

Lautrupsgade 7, 6th floor

DK-2100 København Ø

Central Business Registration No

26258448

Annual report 2016

The Annual General Meeting adopted the annual report on 06.06.2017

Chairman of the General Meeting



Name: Peter Meyer

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Entity details

Entity

Morningstar Danmark A/S
Lautrupsgade 7, 6th floor
DK-2100 København Ø

Central Business Registration No: 26258448
Registered in: Copenhagen
Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Craig Ellis, Chairman
Bevin Desmond
Mark John Roomans

Executive Board

Peter Meyer, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Morningstar Danmark A/S for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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, 06.06.2017

Executive Board

Peter Meyer
Chief Executive Officer

Board of Directors



Craig Ellis
Chairman

Bevin Desmond

Mark John Roomans

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Copenhagen, 06.06.2017

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Chief Executive Officer

Board of Directors

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Bevin Desmond

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Copenhagen, 06.06.2017

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Chief Executive Officer

Board of Directors

Craig Ellis
Chairman

Bevin Desmond


Mark John Roomans

Independent auditor's report

To the shareholders of Morningstar Danmark A/S

Opinion

We have audited the financial statements of Morningstar Danmark A/S for the financial year 01.01.2016 - 31.12.2016, 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 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.

Copenhagen, 06.06.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Tim Kjaer-Hansen
State Authorised Public Accountant

Stine Eva Grothen
State Authorised Public Accountant

Management commentary

Primary activities

The Company's primary activities are to act as suppliers of analyses, information and IT to customers operating in financial areas.

Development in activities and finances

The financial statements show a profit of DKK 812.416 which Management finds satisfactory.

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 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross profit		7.782.552	8.556.061
Staff costs	1	(6.452.390)	(6.264.508)
Depreciation, amortisation and impairment losses		<u>(124.488)</u>	<u>(159.850)</u>
Operating profit/loss		1.205.674	2.131.703
Other financial income	2	43.489	2.962
Other financial expenses	3	<u>(192.023)</u>	<u>(527.685)</u>
Profit/loss before tax		1.057.140	1.606.980
Tax on profit/loss for the year	4	<u>(244.724)</u>	<u>(395.790)</u>
Profit/loss for the year		<u>812.416</u>	<u>1.211.190</u>
Proposed distribution of profit/loss			
Retained earnings		<u>812.416</u>	<u>1.211.190</u>
		<u>812.416</u>	<u>1.211.190</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Acquired intangible assets		0	113.225
Intangible assets	5	0	113.225
Other fixtures and fittings, tools and equipment		50.047	0
Leasehold improvements		0	0
Property, plant and equipment	6	50.047	0
Other receivables		230.322	228.602
Fixed asset investments	7	230.322	228.602
Fixed assets		280.369	341.827
Trade receivables		2.346.799	1.124.229
Deferred tax		100.845	130.935
Prepayments		21.454	59.129
Receivables		2.469.098	1.314.293
Cash		25.768.134	21.003.821
Current assets		28.237.232	22.318.114
Assets		28.517.601	22.659.941

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital	8	2.000.000	2.000.000
Retained earnings		<u>11.321.466</u>	<u>10.509.050</u>
Equity		<u>13.321.466</u>	<u>12.509.050</u>
Prepayments received from customers		4.372.567	2.861.755
Trade payables		787.719	565
Payables to group enterprises		7.770.373	4.223.095
Income tax payable		284.053	402.490
Other payables		<u>1.981.423</u>	<u>2.662.986</u>
Current liabilities other than provisions		<u>15.196.135</u>	<u>10.150.891</u>
Liabilities other than provisions		<u>15.196.135</u>	<u>10.150.891</u>
Equity and liabilities		<u>28.517.601</u>	<u>22.659.941</u>

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2.000.000	10.509.050	12.509.050
Profit/loss for the year	0	812.416	812.416
Equity end of year	2.000.000	11.321.466	13.321.466

Notes

	2016	2015
	DKK	DKK
1. Staff costs		
Wages and salaries	5.485.135	5.316.071
Pension costs	783.613	822.946
Other social security costs	53.982	52.802
Other staff costs	129.660	72.689
	6.452.390	6.264.508
	2016	2015
	DKK	DKK
2. Other financial income		
Interest income	43.489	2.962
	43.489	2.962
	2016	2015
	DKK	DKK
3. Other financial expenses		
Interest expenses	202.267	40.783
Exchange rate adjustments	(19.633)	481.896
Other financial expenses	9.389	5.006
	192.023	527.685
	2016	2015
	DKK	DKK
4. Tax on profit/loss for the year		
Tax on current year taxable income	214.634	402.490
Change in deferred tax for the year	30.090	(4.841)
Effect of changed tax rates	0	(1.859)
	244.724	395.790

Notes

	Acquired intangible assets DKK	
	<u>DKK</u>	
5. Intangible assets		
Cost beginning of year		2.397.750
Cost end of year		<u>2.397.750</u>
Amortisation and impairment losses beginning of year		(2.284.525)
Amortisation for the year		<u>(113.225)</u>
Amortisation and impairment losses end of year		<u>(2.397.750)</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>
6. Property, plant and equipment		
Cost beginning of year	316.991	170.107
Additions	<u>61.310</u>	<u>0</u>
Cost end of year	<u>378.301</u>	<u>170.107</u>
Depreciation and impairment losses beginning of the year	(316.991)	(170.107)
Depreciation for the year	<u>(11.263)</u>	<u>0</u>
Depreciation and impairment losses end of the year	<u>(328.254)</u>	<u>(170.107)</u>
Carrying amount end of year	<u>50.047</u>	<u>0</u>
		Other receivables DKK
		<u>DKK</u>
7. Fixed asset investments		
Cost beginning of year		228.602
Additions		<u>1.720</u>
Cost end of year		<u>230.322</u>
Carrying amount end of year		<u>230.322</u>

Notes

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK</u>
8. Contributed capital			
Ordinary shares	<u>2.000.000</u>	1	<u>2.000.000</u>
	<u>2.000.000</u>		<u>2.000.000</u>

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.

The accounting policies applied for these financial statements are consistent with those applied last year.

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 one 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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue 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.

Other external expenses

Accounting policies

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 write-downs 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

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation 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 intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital 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 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.

The Entity is jointly taxed with Morningstar Danmark Holding ApS. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

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. Licenses are amortised over 15 years.

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

Property, plant and equipment

Accounting policies

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	5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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 write-downs for bad and doubtful debts.

Deferred tax

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

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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

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.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Accounting policies

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.