
Netnames European Holdings ApS

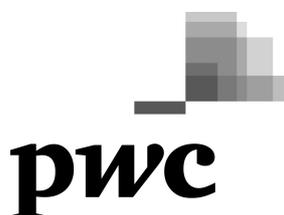
Ørestads Boulevard 108, 10. th., DK-2300
København S

Annual Report for 1 January - 31 December 2017

CVR No 26 70 43 91

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/5 2018

Thomas Charles Porth
Chairman



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Netnames European Holdings ApS for the financial year 1 January - 31 December 2017.

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 financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 31 May 2018

Executive Board

Jørgen Raahauge Christensen
Executive Officer

Board of Directors

Thomas Charles Porth
Chairman

James Allen Stoltzfus

Jørgen Raahauge Christensen

Independent Auditor's Report

To the Shareholder of Netnames European Holdings ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company 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.

We have audited the Financial Statements of Netnames European Holdings ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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.

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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management's Review.

Independent Auditor's Report

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 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 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:

- 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.

Independent Auditor's Report

- 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.

Hellerup, 31 May 2018

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jan Boje Andreassen
statsautoriseret revisor
mne2338

Company Information

The Company

Netnames European Holdings ApS
Ørestads Boulevard 108, 10. th.
DK-2300 København S

CVR No: 26 70 43 91

Financial period: 1 January - 31 December

Municipality of reg. office: København

Board of Directors

Thomas Charles Porth , Chairman
James Allen Stoltzfus
Jørgen Raahauge Christensen

Executive Board

Jørgen Raahauge Christensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Financial Statements of Netnames European Holdings ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been prepared under the same accounting policies as last year.

Key activities

Netnames European Holdings ApS operates within domain name handling and online monitoring of corporate brands, where the core service is domain name handling. The service comprises global registration and maintenance of customers' domain portfolios, including optimisation, security and protection of these.

Development in the year

The income statement of the Company for 2017 shows a profit of DKK 895k, and at 31 December 2017 the balance sheet of the Company shows equity of DKK 179,059k.

Targets and expectations for the year ahead

The group is undergoing a restructuring which is likely to affect the transfer pricing policy of the group, and is expected to be completed by the end of 2018. It is currently unclear how the structure will look and if there will be any impairments of the investments held by Netnames European Holdings ApS.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2017 TDKK 12 mdr	2016 TDKK 6 mdr
Gross profit/loss		-221	-164
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-133	-54
Profit/loss before financial income and expenses		-354	-218
Income from investments in subsidiaries	1	0	-9.419
Financial income	2	1.650	751
Financial expenses		-128	0
Profit/loss before tax		1.168	-8.886
Tax on profit/loss for the year	3	-273	-51
Net profit/loss for the year		895	-8.937

Distribution of profit

Proposed distribution of profit

Retained earnings		895	-8.937
		895	-8.937

Balance Sheet 31 December

Assets

	Note	2017 TDKK	2016 TDKK
Other fixtures and fittings, tools and equipment		187	202
Leasehold improvements		12	16
Property, plant and equipment	4	199	218
Investments in subsidiaries	5	147.360	147.360
Deposits	6	438	440
Fixed asset investments		147.798	147.800
Fixed assets		147.997	148.018
Trade receivables		11	5
Receivables from group enterprises		38.770	36.180
Other receivables		161	28
Deferred tax asset		175	197
Receivables		39.117	36.410
Cash at bank and in hand		254	93
Currents assets		39.371	36.503
Assets		187.368	184.521

Balance Sheet 31 December

Liabilities and equity

	Note	2017 TDKK	2016 TDKK
Share capital		18.710	18.710
Retained earnings		160.349	159.454
Equity		179.059	178.164
Trade payables		596	819
Payables to group enterprises		7.626	4.323
Corporation tax		64	1.212
Other payables		23	3
Short-term debt		8.309	6.357
Debt		8.309	6.357
Liabilities and equity		187.368	184.521
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Statement of Changes in Equity

	<u>Share capital</u> TDKK	<u>Retained earnings</u> TDKK	<u>Total</u> TDKK
Equity at 1 January	18.710	159.454	178.164
Net profit/loss for the year	<u>0</u>	<u>895</u>	<u>895</u>
Equity at 31 December	<u>18.710</u>	<u>160.349</u>	<u>179.059</u>

Notes to the Financial Statements

	2017 TDKK 12 mdr	2016 TDKK 6 mdr	
1 Income from investments in subsidiaries			
Impairment loss	0	-9.419	
	0	-9.419	
2 Financial income			
Interest received from group enterprises	1.579	681	
Exchange gains	71	70	
	1.650	751	
3 Tax on profit/loss for the year			
Current tax for the year	236	115	
Deferred tax for the year	22	0	
Adjustment of tax concerning previous years	15	-64	
	273	51	
4 Property, plant and equipment			
	Other fixtures and fittings, tools and equipment	Leasehold improvements	Total
	TDKK	TDKK	TDKK
Cost at 1 January	855	1.125	1.980
Additions for the year	114	0	114
Cost at 31 December	969	1.125	2.094
Impairment losses and depreciation at 1 January	653	1.109	1.762
Depreciation for the year	129	4	133
Impairment losses and depreciation at 31 December	782	1.113	1.895
Carrying amount at 31 December	187	12	199

Notes to the Financial Statements

	2017 <u>TDKK</u>	2016 <u>TDKK</u>
5 Investments in subsidiaries		
Cost at 1 January	206.499	206.499
Cost at 31 December	<u>206.499</u>	<u>206.499</u>
Value adjustments at 1 January	-59.139	-49.720
Other adjustments	0	-9.419
Value adjustments at 31 December	<u>-59.139</u>	<u>-59.139</u>
Carrying amount at 31 December	<u>147.360</u>	<u>147.360</u>

6 Other fixed asset investments

	Deposits <u>TDKK</u>
Cost at 1 January	440
Disposals for the year	-2
Cost at 31 December	<u>438</u>
Carrying amount at 31 December	<u>438</u>

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

Lease - and rental obligations	2.648	2.272
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The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

All shared in Netnames European Holding ApS have been pledged with first priority in favour of of the Secured Parties, which is represented by HSBC Corporate Trustee Compa-ny (UK) Limited.

Notes to the Financial Statements

8 Related parties

Consolidated Financial Statements

The company's annual report is included in the consolidated financial statement of Corporate Service Company (Europe) Limited

Name	Place of registered office
Corporate Service Company (Europe) Limited	United Kingdom

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of Netnames European Holdings ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year. Certain amounts have been reclassified in the comparative figures for 2016 to ensure the same presentation.

Financial Statements for 2017 are presented in DKK.

Consolidated financial statements

With reference to section 112 of the Danish Financial Statements Act and to the consolidated financial statements of Corporation Service Company (Europe) Limited, the Company has not prepared consolidated financial statements.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

9 Accounting Policies (continued)

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Other external expenses

Other external expenses comprise expenses for premises as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of property, plant and equipment.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

9 Accounting Policies (continued)

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

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

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 12,900 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of deposits.

Notes to the Financial Statements

9 Accounting Policies (continued)

Receivables

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.