
Ocean Outdoor Denmark A/S

Gammel Mønt 2, DK-1117 København K

Annual Report for 1 January - 31 December 2019

CVR No 27 05 97 59

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
27/8 2020

Anders Bengt Axelsson
Chairman of the General
Meeting



pwc

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	4
Financial Statements	
Income Statement 1 January - 31 December	5
Balance Sheet 31 December	6
Statement of Changes in Equity	8
Notes to the Financial Statements	9

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Ocean Outdoor Denmark A/S for the financial year 1 January - 31 December 2019.

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 2019 of the Company and of the results of the Company operations for 2019.

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

Copenhagen, 27 August 2020

Executive Board

Pia Petersen

Board of Directors

Christoffer Ove Stackel

Anders Bengt Axelsson

Pia Friis Petersen

Independent Auditor's Report

To the Shareholder of Ocean Outdoor Denmark A/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Ocean Outdoor Denmark A/S for the financial year 1 January - 31 December 2019, 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.

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

Independent Auditor's Report

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.

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.

Hillerød, 27 August 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Michael Blom

statsautoriseret revisor

mne32797

Company Information

The Company

Ocean Outdoor Denmark A/S
Gammel Mønt 2
DK-1117 København K

CVR No: 27 05 97 59
Financial period: 1 January - 31 December
Incorporated: 5 March 2003
Financial year: 18th financial year
Municipality of reg. office: København

Board of Directors

Christoffer Ove Stackel
Anders Bengt Axelsson
Pia Friis Petersen

Executive Board

Pia Petersen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Milnersvej 43
DK-3400 Hillerød

Bankers

SEB Bank

Income Statement 1 January - 31 December

	Note	2019 DKK	2018 DKK
Gross profit/loss		12,226,585	9,843,946
Staff expenses	4	-11,649,149	-9,259,235
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment	5	-2,114,855	-1,239,357
Profit/loss before financial income and expenses		-1,537,419	-654,646
Financial income		0	299,422
Financial expenses	6	-9,171	-39,920
Profit/loss before tax		-1,546,590	-395,144
Tax on profit/loss for the year	7	195,460	31,058
Net profit/loss for the year		-1,351,130	-364,086

Distribution of profit

Proposed distribution of profit

Retained earnings	-1,351,130	-364,086
	-1,351,130	-364,086

Balance Sheet 31 December

Assets

	Note	2019 DKK	2018 DKK
Completed development projects		120,099	237,073
Goodwill		1,687,601	1,976,904
Intangible assets	8	1,807,700	2,213,977
Other fixtures and fittings, tools and equipment		6,879,908	4,059,314
Property, plant and equipment	9	6,879,908	4,059,314
Deposits		313,000	336,400
Fixed asset investments		313,000	336,400
Fixed assets		9,000,608	6,609,691
Trade receivables		5,230,396	3,341,514
Other receivables		0	44,000
Corporation tax		216,000	0
Prepayments		299,022	212,062
Receivables		5,745,418	3,597,576
Cash at bank and in hand		2,605,042	1,615,637
Currents assets		8,350,460	5,213,213
Assets		17,351,068	11,822,904

Balance Sheet 31 December

Liabilities and equity

	Note	2019 DKK	2018 DKK
Share capital		1,000,000	1,000,000
Reserve for development costs		93,677	184,917
Retained earnings		746,505	2,006,396
Equity		1,840,182	3,191,313
Provision for deferred tax		0	195,460
Provisions		0	195,460
Payables to group enterprises		0	851,152
Other payables		1,510,389	1,207,221
Long-term debt	10	1,510,389	2,058,373
Prepayments received from customers		1,662,216	1,209,470
Trade payables		5,174,797	2,062,500
Payables to group enterprises	10	4,804,249	290,640
Other payables	10	2,359,235	2,815,148
Short-term debt		14,000,497	6,377,758
Debt		15,510,886	8,436,131
Liabilities and equity		17,351,068	11,822,904
Going concern	1		
Subsequent events	2		
Key activities	3		
Contingent assets, liabilities and other financial obligations	11		
Related parties	12		
Accounting Policies	13		

Statement of Changes in Equity

	Share capital	Reserve for development costs	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	1,000,000	184,917	2,006,395	3,191,312
Depreciation, amortisation and impairment for the year	0	-91,240	91,240	0
Net profit/loss for the year	0	0	-1,351,130	-1,351,130
Equity at 31 December	1,000,000	93,677	746,505	1,840,182

Notes to the Financial Statements

1 Going concern

Due to COVID-19 the company has experienced cancellation of planned advertising activities and consequently tried to adjust resources and costs accordingly. At the moment it is not possible to estimate the effect on revenue and earnings as it depends on the recovery for the airports and the market in general. However the closure of the Shopping malls during COVID-19 resulted in low activity but we see increased activities and footfalls are now back to normal.

The changed operation due to COVID-19 will have an impact on both the Company's revenue and net profit compared to the expectations before the COVID-19 outbreak. As limited liquidity is available to the Company, the Parent Company, Ocean Outdoor Sweden AB, has guaranteed contribution of liquidity to the extent required up to the adoption of the Financial Statements for 2020.

Consequently, the Financial Statements are presented on the basis of the going concern assumption.

2 Subsequent events

Due to COVID-19 the company has experienced cancellation of planned advertising activities and consequently tried to adjust resources and costs accordingly. At the moment it is not possible to estimate the effect on revenue and earnings as it depends on the recovery for the airports and the market in general. However the closure of the Shopping malls during COVID-19 resulted in low activity but we see increased activities and footfalls are now back to normal.

Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

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

3 Key activities

The company's main activity is to conduct trading and advertising activities and other related activities.

Notes to the Financial Statements

	2019	2018
	DKK	DKK
4 Staff expenses		
Wages and salaries	10,814,627	8,408,200
Pensions	504,825	415,822
Other social security expenses	139,293	168,322
Other staff expenses	190,404	266,891
	<u>11,649,149</u>	<u>9,259,235</u>
Average number of employees	<u>16</u>	<u>14</u>
5 Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		
Amortisation of intangible assets	406,277	243,174
Depreciation of property, plant and equipment	1,708,578	996,183
	<u>2,114,855</u>	<u>1,239,357</u>
6 Financial expenses		
Interest paid to group enterprises	0	25,464
Other financial expenses	9,171	14,456
	<u>9,171</u>	<u>39,920</u>
7 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	-195,460	-31,058
	<u>-195,460</u>	<u>-31,058</u>

Notes to the Financial Statements

8 Intangible assets

	Completed development projects DKK	Goodwill DKK
Cost at 1 January	584,870	2,025,121
Cost at 31 December	584,870	2,025,121
Impairment losses and amortisation at 1 January	347,797	48,217
Amortisation for the year	116,974	289,303
Impairment losses and amortisation at 31 December	464,771	337,520
Carrying amount at 31 December	120,099	1,687,601
Amortised over	5 years	7 years

Development projects relate to the development of a new software product, Campaign Planner. The Campaign Planner is primarily for internal use.

9 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK
Cost at 1 January	6,714,001
Additions for the year	4,529,172
Cost at 31 December	11,243,173
Impairment losses and depreciation at 1 January	2,654,687
Depreciation for the year	1,708,578
Impairment losses and depreciation at 31 December	4,363,265
Carrying amount at 31 December	6,879,908
Depreciated over	3-5 years

Notes to the Financial Statements

10 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2019</u> DKK	<u>2018</u> DKK
Payables to group enterprises		
Between 1 and 5 years	0	851,152
Long-term part	<u>0</u>	<u>851,152</u>
Within 1 year	0	290,640
Other short-term debt to group enterprises	4,804,249	0
Short-term part	<u>4,804,249</u>	<u>290,640</u>
	<u>4,804,249</u>	<u>1,141,792</u>
Other payables		
Between 1 and 5 years	1,510,389	1,207,221
Long-term part	<u>1,510,389</u>	<u>1,207,221</u>
Within 1 year	246,481	362,565
Other short-term payables	2,112,754	2,452,583
Short-term part	<u>2,359,235</u>	<u>2,815,148</u>
	<u>3,869,624</u>	<u>4,022,369</u>

Notes to the Financial Statements

	2019 DKK	2018 DKK
11 Contingent assets, liabilities and other financial obligations		
Rental and lease obligations		
Lease obligations under operating leases. Total future lease payments:		
Within 1 year	422,598	102,372
Between 1 and 5 years	190,335	123,300
	612,933	225,672
 Anvisningsforpligtelse vedrørende operationel leasing. Forventede restværdier ved kontrakternes udløb	 593,750	 150,000
 Rental obligations, non-terminable period 60 months	 161,347,161	 4,390,067

12 Related parties

Basis

Consolidated Financial Statements

The company is included in the Group Annual Report of Ocean Outdoor Limited

Name	Place of registered office
Ocean Outdoor Limited	London, UK

Notes to the Financial Statements

13 Accounting Policies

The Annual Report of Ocean Outdoor Denmark A/S for 2019 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 rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

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.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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

13 Accounting Policies (continued)

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

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other external expenses

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

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff expenses comprise wages and salaries as well as payroll expenses.

Amortisation, depreciation and impairment losses

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

Notes to the Financial Statements

13 Accounting Policies (continued)

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.

Balance Sheet

Intangible assets

Development projects, patents and licences

Costs of development projects comprise salaries, amortisation and other expenses directly or indirectly attributable to the Company's development activities.

Development projects that are clearly defined and identifiable and in respect of which technical feasibility, sufficient resources and a potential future market or development opportunity in the enterprise can be demonstrated, and where it is the intention to manufacture, market or use the project, are recognised as intangible assets. This applies if sufficient certainty exists that the value in use of future earnings can cover cost of sales, distribution and administrative expenses involved as well as the development costs.

Development projects that do not meet the criteria for recognition in the balance sheet are recognised as expenses in the income statement as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses or at a lower recoverable amount. An amount corresponding to the recognised development costs is allocated to the equity item "Reserve for development costs". The reserve comprises only development costs recognised in financial years beginning on or after 1 January 2016. The reserve is reduced by amortisation of and impairment losses on the development projects on a continuing basis.

As of the date of completion, capitalised development costs are amortised on a straight-line basis over the period of the expected economic benefit from the development work. The amortisation period is 3 years.

Notes to the Financial Statements

13 Accounting Policies (continued)

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 7 years, determined on the basis of Management's experience with the individual business areas. Management expect positive cash-flow for at least 7 years on the activity purchased.

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.

Interest expenses on loans raised directly for financing the construction of property, plant and equipment are recognised in cost over the period of construction. All indirectly attributable borrowing expenses are recognised in the income statement.

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	3-5 years
Leasehold improvements	3-5 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,800 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.

Fixed asset investments

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Notes to the Financial Statements

13 Accounting Policies (continued)

Other fixed asset investments

Other fixed asset investments consist of deposits.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

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.

Notes to the Financial Statements

13 Accounting Policies (continued)

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

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