



BY APPOINTMENT TO THE ROYAL DANISH COURT

PETER JUSTESEN

Peter Justesen Company A/S

Tuborg Boulevard 5, 2., Postboks 68, 2900 Hellerup

Company reg. no. 27 13 03 64

Annual report

1 January - 31 December 2017

The annual report have been submitted and approved by the general meeting on the 22 May 2018.

Niels Kornerup
Chairman of the meeting

Contents

| | <u>Page</u> |
|---|--------------------|
| Reports | |
| Management's report | 1 |
| Independent auditor's report | 2 |
| Management's review | |
| Company data | 5 |
| Financial highlights | 6 |
| Management's review | 7 |
| Annual accounts 1 January - 31 December 2017 | |
| Accounting policies used | 9 |
| Profit and loss account | 15 |
| Balance sheet | 16 |
| Statement of changes in equity | 18 |
| Cash flow statement | 19 |
| Notes | 20 |

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Peter Justesen Company A/S for the financial year 1 January to 31 December 2017.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2017 and of the company's results of its activities and cash flows in the financial year 1 January to 31 December 2017.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Hellerup, 21 March 2018

Managing Director

Carsten Ørnbo
Chief Executive Officer

Board of directors

Jens Albert Harsaae
Chairman

Niels Jørgen Kornerup

Marie Louise Hahn-Petersen

Erik Justesen

Maria Charlotte Thomsen
Employee representative

Jens Peder Larsson
Employee representative

Independent auditor's report

To the shareholder of Peter Justesen Company A/S

Opinion

We have audited the annual accounts of Peter Justesen Company A/S for the financial year 1 January to 31 December 2017, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity, cash flow statement and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2017 and of the results of the company's operations and cash flows for the financial year 1 January to 31 December 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 21 March 2018

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Claus Koskelin

State Authorised Public Accountant
MNE-nr. 30140

Company data

The company

Peter Justesen Company A/S
Tuborg Boulevard 5, 2.
Postboks 68
2900 Hellerup

Company reg. no. 27 13 03 64
Established: 28 April 2003
Domicile: Gentofte
Financial year: 1 January - 31 December

Board of directors

Jens Albert Harsaae, Chairman
Niels Jørgen Kornerup
Marie Louise Hahn-Petersen
Erik Justesen
Maria Charlotte Thomsen, Employee representative
Jens Peder Larsson, Employee representative

Managing Director

Carsten Ørnbo, Chief Executive Officer

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Bankers

Danske Bank

Parent company

Peter Justesen Holding A/S

Financial highlights

| DKK in thousands. | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Profit and loss account: | | | | | |
| Net turnover | 229.716 | 237.026 | 248.431 | 280.855 | 358.681 |
| Gross profit | 36.600 | 41.859 | 30.886 | 39.554 | 47.716 |
| Results from operating activities | 728 | -3.276 | -15.942 | -9.103 | -1.306 |
| Net financials | -5.525 | -1.542 | -2.562 | -1.476 | -2.715 |
| Results for the year | -4.797 | -4.818 | -18.217 | -8.151 | -3.274 |
| Balance sheet: | | | | | |
| Balance sheet sum | 70.148 | 65.683 | 80.200 | 90.077 | 110.090 |
| Investments in tangible fixed assets represent | 119 | 35 | 61 | 87 | 4.165 |
| Equity | 9.703 | 8.500 | 13.317 | 12.332 | 20.483 |
| Cash flow: | | | | | |
| Operating activities | 6.394 | -2.966 | -8.822 | 4.454 | 29.197 |
| Employees: | | | | | |
| Average number of full time employees | 54 | 63 | 66 | 86 | 92 |
| Key figures in %: | | | | | |
| Gross margin | 15,9 | 17,7 | 12,4 | 14,1 | 13,3 |
| Solvency ratio | 13,8 | 12,9 | 16,6 | 13,7 | 18,6 |
| Return on equity | -52,7 | -44,2 | -142,0 | -49,7 | -16,7 |

The calculation of key figures and ratios does in all material respects follow the Danish Association of Finance Analysts' recommendations and does only in a few respects deviate from the recommendations.

The key figures appearing from the survey have been calculated as follows:

$$\text{Gross margin} = \frac{\text{Gross profit} \times 100}{\text{Net turnover}}$$

$$\text{Equity share} = \frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$$

$$\text{Return on equity} = \frac{\text{Results for the year} \times 100}{\text{Average equity}}$$

Management's review

The principal activities of the company

Peter Justesen Company A/S (PJC) offers original high quality Beverage, Luxury and Living products based on global consumer insights, unique service packages and attractive prices focusing on customers' individual needs.

PJC vision is to be the leading customer oriented and knowledge based supplier being the most cost-effective duty-free partner for diplomats, Embassies, duty free shops and organizations with duty-free status.

Development in activities and financial matters

The business generated a positive Ebitda of 6,9 Mio DKK and an improvement of vs 2016, although the Ebit loss for 2017 was not satisfactory.

2017 was characterized by a 4% decline of turnover compared to 2016.

Contribution margin likewise impacted negatively with a 5% point decline vs 2016 pre-dominantly driven by:

1. Currency impacts driven by a shortfall of dollars of almost 15% point - furthermore reduced buying power for customers impacted negatively on sales.
2. Increased Freight discounts in order to safeguard sales and ensure customer relevance
3. Increased promotional costs and rebates to support sales - particularly in Western Europe and Russia.
4. 4.Category mix with a shortfall in high margin Categories

Capacity costs continued to be reduced and optimized with a 15% point reduction of costs vs 2016.

Key elements have been staff reductions in back office functions, improved supplier agreements and a continued focus on dedicated marketing investment contributing with a positive ROI and long term perspective.

Investments:

The level of investments for 2017 was increased slightly (0,47 Mio DKK). This driven by invest in a new and updated PIM system (Product Information Management) which have the purpose to drive internal efficiency on magazine print, On-line advertising and master data management.

Outlook:

Strategic focus for 2018 will be to maintain and develop Diplomatic channel with a stronger omni-channel approach. This supported by further investment in On-line tools and activities and a stronger presence in selected strategic markets. Promotion efforts will be intensified through On-line marketing solutions supported by Marketing Automatization tools and Taylor-made product and service offerings.

EBT is budgeted to be positive (0,6 Mio DKK) and thus improved vs 2017 performance.

Management's review

Management commentary

Operational focus for 2018 will be to intensify actions to safeguard current customer basis and in certain regions expand number of active customers. Cost actions and efficiency programs is still essential in order to support investment in further digitalization of the business.

Events subsequent to the financial year

No events have occurred after the balance sheet date to this date which would influence the evaluation of the 2017 annual report.

Accounting policies used

The annual report for Peter Justesen Company A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Accounting policies used

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Net turnover

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Cost of sales

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

Accounting policies used

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Softwareplatform

Softwareplatform comprise e.g. salaries, wages, and amortisation which directly and indirectly refer to the development of the softwareplatform.

Clearly defined and identifiable development of the software platform are recognised as intangible fixed asstes provided that the technical feasibility, sufficient resources, and a potential market or a development opportunity can be demonstrated, and provided that it is the intention to produce, market og utilise the project. It is, however, a condition that the cost can be calculated reliably and that a sufficiently high degree of certainty indicates that future earnings will cover the costs for production, sales, and administration. Other development costs are recognised in the profit and loss account concurrently with their realisation.

Softwareplatform costs recognised in the balance sheet are measured at cost with deduction of accrued depreciation amd writedown. The amortisation period is 5 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown. Land is not depreciated.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

| | |
|--|--------------------|
| | <i>Useful life</i> |
| Leasehold improvements | 10 years |
| Other plants, operating assets, fixtures and furniture | 4-10 years |

Accounting policies used

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserves for development costs

Reserves for development costs comprise recognised development costs with deduction of related deferred tax liabilities. The reserves can not be used as dividend or for payment of losses. The reserves are reduced or dissolved if the recognised development costs are amortised or abandoned. This takes place by direct transfer to the distributable reserves of the equity.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Peter Justesen Company A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Accounting policies used

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carryover, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

The cash flow statement

The cash flow statement shows the cash flow of the company for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities, respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Accounting policies used

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Available funds

Available funds comprise cash funds with deduction of short-term bank debt and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

Profit and loss account 1 January - 31 December

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

| <u>Note</u> | <u>2017</u> | <u>2016</u> |
|---|-------------------|---------------|
| Net turnover | 229.715.827 | 237.026 |
| Change in inventories of finished goods and work in progress | -2.777.107 | -7.964 |
| Raw materials and consumables used | -171.223.471 | -169.015 |
| Other external costs | -19.114.841 | -18.188 |
| Gross results | 36.600.408 | 41.859 |
| 1 Staff costs | -29.788.548 | -38.131 |
| Depreciation, amortisation and writedown relating to tangible and intangible fixed assets | -6.083.454 | -7.004 |
| Operating profit | 728.406 | -3.276 |
| Other financial income | 1.150.165 | 4.506 |
| Other financial costs | -6.675.419 | -6.048 |
| Results before tax | -4.796.848 | -4.818 |
| Tax on ordinary results | 0 | 0 |
| 2 Results for the year | -4.796.848 | -4.818 |

Balance sheet 31 December

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

| <u>Note</u> | <u>2017</u> | <u>2016</u> |
|--|--------------------------|----------------------|
| Assets | | |
| Fixed assets | | |
| 3 Softwareplatform (development projects) | 14.408.240 | 17.437 |
| Intangible fixed assets in total | <u>14.408.240</u> | <u>17.437</u> |
| 4 Other fixtures and fittings, tools and equipment | 1.647.942 | 1.891 |
| 5 Leasehold improvements | 768.114 | 913 |
| Tangible fixed assets in total | <u>2.416.056</u> | <u>2.804</u> |
| Fixed assets in total | <u>16.824.296</u> | <u>20.241</u> |
| Current assets | | |
| Manufactured goods and trade goods | 15.997.680 | 13.221 |
| Inventories in total | <u>15.997.680</u> | <u>13.221</u> |
| Trade debtors | 21.771.468 | 22.798 |
| Amounts owed by group enterprises | 55.812 | 30 |
| Other debtors | 2.570.633 | 3.664 |
| Receivable capital contribution | 6.000.000 | 0 |
| 6 Accrued income and deferred expenses | 1.310.062 | 878 |
| Debtors in total | <u>31.707.975</u> | <u>27.370</u> |
| Available funds | <u>5.617.710</u> | <u>4.851</u> |
| Current assets in total | <u>53.323.365</u> | <u>45.442</u> |
| Assets in total | <u>70.147.661</u> | <u>65.683</u> |

Balance sheet 31 December

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

| <u>Note</u> | <u>2017</u> | <u>2016</u> |
|--|--------------------------|----------------------|
| Equity and liabilities | | |
| Equity | | |
| 7 Contributed capital | 5.000.000 | 17.000 |
| 8 Other statutory reserves | 4.293.107 | 0 |
| Results brought forward | 410.191 | -8.500 |
| Equity in total | <u>9.703.298</u> | <u>8.500</u> |
| Liabilities | | |
| Bank debts | 19.021.216 | 21.982 |
| Trade creditors | 36.527.150 | 27.253 |
| Other debts | 4.895.997 | 7.948 |
| Short-term liabilities in total | <u>60.444.363</u> | <u>57.183</u> |
| Liabilities in total | <u>60.444.363</u> | <u>57.183</u> |
| Equity and liabilities in total | <u>70.147.661</u> | <u>65.683</u> |
| 9 Mortgage and securities | | |
| 10 Contingencies | | |
| 11 Related parties | | |

Statement of changes in equity

DKK in thousands.

| | Contributed capital | Other statutory reserves | Results brought forward | In total |
|---|--------------------------------|-------------------------------------|------------------------------------|-----------------|
| Equity 1 January 2016 | 17.000 | 0 | -3.682 | 13.318 |
| Provisions of the results for the year | 0 | 0 | -4.818 | -4.818 |
| Equity 1 January 2017 | 17.000 | 0 | -8.500 | 8.500 |
| Cash capital increase | 1.000 | 0 | 5.000 | 6.000 |
| Provisions of the results for the year | 0 | 4.293 | -9.090 | -4.797 |
| Capital reduction | -13.000 | 0 | 13.000 | 0 |
| | 5.000 | 4.293 | 410 | 9.703 |

Cash flow statement 1 January - 31 December

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

| <u>Note</u> | <u>2017</u> | <u>2016</u> |
|---|--------------------|----------------|
| Results for the year | -4.796.848 | -4.818 |
| 12 Adjustments | 11.608.708 | 8.545 |
| 13 Change in working capital | 5.107.122 | -5.152 |
| Cash flow from operating activities before net financials | 11.918.982 | -1.425 |
| Interest received and similar amounts | 1.150.164 | 4.506 |
| Interest paid and similar amounts | -6.675.419 | -6.047 |
| Cash flow from ordinary activities | 6.393.727 | -2.966 |
| Cash flow from operating activities | 6.393.727 | -2.966 |
| Purchase of intangible fixed assets | -2.547.604 | -2.082 |
| Purchase of tangible fixed assets | -119.419 | -36 |
| Sale of tangible fixed assets | 0 | 45 |
| Cash flow from investment activities | -2.667.023 | -2.073 |
| Changes in available funds | 3.726.704 | -5.039 |
| Available funds 1 January 2017 | -17.130.210 | -12.092 |
| Available funds 31 December 2017 | -13.403.506 | -17.131 |
| Available funds | | |
| Available funds | 5.617.710 | 4.851 |
| Short-term bank debts | -19.021.216 | -21.982 |
| Available funds 31 December 2017 | -13.403.506 | -17.131 |

Notes

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

| | <u>2017</u> | <u>2016</u> |
|--|---------------------------|-----------------------|
| 1. Staff costs | | |
| Salaries and wages | 27.626.628 | 35.935 |
| Pension costs | 1.886.011 | 2.064 |
| Other costs for social security | 275.909 | 132 |
| | <u>29.788.548</u> | <u>38.131</u> |
| Executive board and board of directors | <u>2.304.766</u> | <u>2.020.000</u> |
| Average number of employees | <u>54</u> | <u>63</u> |
| 2. Proposed distribution of the results | | |
| Allocated to other statutory reserves | 4.293.107 | 0 |
| Allocated from results brought forward | -9.089.955 | -4.818 |
| Distribution in total | <u>-4.796.848</u> | <u>-4.818</u> |
| 3. Softwareplatform (development projects) | | |
| Cost 1 January 2017 | 41.781.957 | 39.700 |
| Additions during the year | 2.547.604 | 2.082 |
| Cost 31 December 2017 | <u>44.329.561</u> | <u>41.782</u> |
| Amortisation and writedown 1 January 2017 | -24.345.328 | -17.918 |
| Amortisation for the year | -5.575.993 | -6.076 |
| Reversal of depreciation, amortisation and writedown, assets disposed of | 0 | -351 |
| Amortisation and writedown 31 December 2017 | <u>-29.921.321</u> | <u>-24.345</u> |
| Book value 31 December 2017 | <u>14.408.240</u> | <u>17.437</u> |

The softwareplatform regards the development and adaptation of software to ensure cost efficiency and customer satisfaction. The projects proceed as planned and are expected to be completed within 1-3 years.

Notes

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

| | <u>31/12 2017</u> | <u>31/12 2016</u> |
|--|--------------------------|----------------------|
| 4. Other fixtures and fittings, tools and equipment | | |
| Cost 1 January 2017 | 8.609.108 | 9.000 |
| Additions during the year | 119.419 | 22 |
| Disposals during the year | 0 | -413 |
| Cost 31 December 2017 | <u>8.728.527</u> | <u>8.609</u> |
| Depreciation and writedown 1 January 2017 | -6.718.301 | -6.653 |
| Depreciation for the year | -362.284 | -478 |
| Reversal of depreciation, amortisation and writedown, assets disposed of | 0 | 413 |
| Depreciation and writedown 31 December 2017 | <u>-7.080.585</u> | <u>-6.718</u> |
| Book value 31 December 2017 | <u>1.647.942</u> | <u>1.891</u> |
| 5. Leasehold improvements | | |
| Cost 1 January 2017 | 4.608.912 | 4.596 |
| Additions during the year | 0 | 13 |
| Cost 31 December 2017 | <u>4.608.912</u> | <u>4.609</u> |
| Depreciation and writedown 1 January 2017 | -3.695.621 | -3.551 |
| Depreciation for the year | -145.177 | -145 |
| Depreciation and writedown 31 December 2017 | <u>-3.840.798</u> | <u>-3.696</u> |
| Book value 31 December 2017 | <u>768.114</u> | <u>913</u> |
| 6. Accrued income and deferred expenses | | |
| Prepaid expenses and accrued revenue | 1.310.062 | 878 |
| | <u>1.310.062</u> | <u>878</u> |

This item contain costs paid in 2017, but related to operations in 2018.

Notes

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

| | <u>31/12 2017</u> | <u>31/12 2016</u> |
|------------------------------------|-------------------------|----------------------|
| 7. Contributed capital | | |
| Contributed capital 1 January 2017 | 17.000.000 | 17.000 |
| Cash capital increase | 1.000.000 | 0 |
| Capital reduction | <u>-13.000.000</u> | <u>0</u> |
| | <u>5.000.000</u> | <u>17.000</u> |

- The company completed a capital reduction of DKK 13.000.000 in 2017.
- The company completed a capital increase of DKK 1.000.000, price 600 in 2017.

8. Other statutory reserves

| | | |
|-------------------------------------|-------------------------|-----------------|
| Provisions for development projects | <u>4.293.107</u> | <u>0</u> |
| | <u>4.293.107</u> | <u>0</u> |

9. Mortgage and securities

For bank debts, DKK 19.021.214, the company has provided security in company assets representing a nominal value of DKK 40.185.204. This security comprises the below assets, stating the book values:

| | |
|------------------------------------|----------------|
| Inventories | DKK 15.997.680 |
| Receivable from sales and services | DKK 21.771.468 |
| Property, plant and equipment | DKK 2.416.056 |

10. Contingencies

Contingent liabilities

| | DKK in thousands |
|--|-------------------------|
| Leasing liabilities | <u>474.689</u> |
| Rent liabilities | 5.358.183 |
| Service agreement liabilities | <u>661.494</u> |
| Contingent liabilities in total | <u>6.494.366</u> |

Notes

Amounts concerning 2017: DKK.

Amounts concerning 2016: DKK in thousands.

Contingencies (continued)

Joint taxation

Peter Justesen Holding A/S, company reg. no 33774257 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

11. Related parties

Consolidated annual accounts

The company is included in the consolidated annual accounts of Peter Justesen Holding A/S, Tuborg Boulevard 5, 2. 2900 Hellerup.

12. Adjustments

| | | |
|-------------------------------|-------------------|--------------|
| Depreciation and amortisation | 6.083.454 | 7.004 |
| Other financial income | -1.150.165 | -4.506 |
| Other financial costs | 6.675.419 | 6.047 |
| | 11.608.708 | 8.545 |

13. Change in working capital

| | | |
|---|------------------|---------------|
| Change in inventories | -2.777.107 | 7.964 |
| Change in debtors | 1.662.026 | 5.036 |
| Change in trade creditors and other liabilities | 6.222.203 | -18.152 |
| | 5.107.122 | -5.152 |

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Carsten Ørnbo

Adm. direktør

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Carsten Ørnbo

Direktør

Serienummer: PID:9208-2002-2-382502719712

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NEM ID 

Jens Albert Harsaae

Bestyrelsesformand

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IP: 109.238.48.129

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Niels Jørgen Kornerup

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-948152476476

IP: 188.120.90.4

2018-05-08 11:36:51Z

NEM ID 

Maria Charlotte Thomsen

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-773524959341

IP: 185.101.89.177

2018-05-08 11:39:22Z

NEM ID 

Marie Louise Hahn-Petersen

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-729256709078

IP: 96.84.181.35

2018-05-09 12:21:49Z

NEM ID 

Erik Justesen

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-481557892942

IP: 176.23.227.70

2018-05-16 10:36:10Z

NEM ID 

Jens Peder Larsson

Bestyrelsesmedlem

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IP: 131.164.162.125

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Claus Koskelin

Statsautoriseret revisor

På vegne af: GRANT THORNTON,STATSAUTORISERET

REVISIONSPARTNERSELSKAB

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IP: 62.243.184.60

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