

ARTEFACT HOLDING A/S

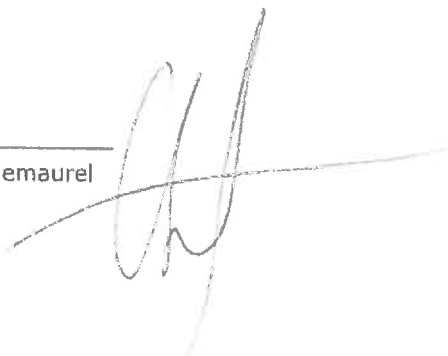
Pilestræde 52 A, 3.
1112 København K
Business Registration No
27216579

Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

Chairman of the General Meeting

Name: Guillaume Marie Paul de Roquemaurel



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Entity details

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Entity

ARTEFACT HOLDING A/S

Pilestræde 52 A, 3.

1112 København K

Central Business Registration No (CVR): 27216579

Registered in: København

Financial year: 01.01.2017 - 31.12.2017

Board of Directors

Guillaume Marie Paul de Roquemaurel, chairman

François Charles Berger De La Villardière

Benjamin Hartmann

Lennert de Rijk

Executive Board

Lennert de Rijk, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

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 ARTEFACT HOLDING A/S for the financial year 01.01.2017 - 31.12.2017.

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

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

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

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

Copenhagen, 31.05.2018

Executive Board



Lennert de Rijk
CEO

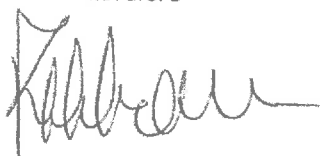
Board of Directors

Guillaume Marie Paul de
Roquemaurel
chairman

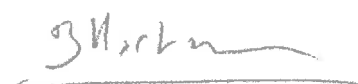


Lennert de Rijk

François Charles Berger De La
Villardière



Benjamin Hartmann



Independent auditor's report

To the shareholder of ARTEFACT HOLDING A/S

Opinion

We have audited the financial statements of ARTEFACT HOLDING A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

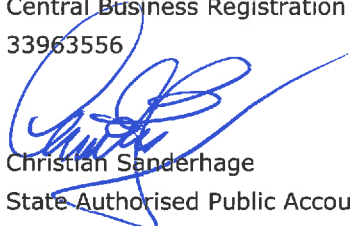
Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.


Copenhagen, 31.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR)
33963556



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



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

Management commentary

Primary activities

Parent

As in prior years, the Company's principal activities during the year consist in holding shares in subsidiaries.

Artefact Holding A/S is part of Artefact S.A., that is among the leading companies in marketing engineering in Europe.

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

Development in activities and finances

The income statement shows a deficit after tax of DKK -848K. The Company's results and financial development have not met the expectations expressed by the former Management.

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

Letter of support from NetBooster Holding A/S

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

Outlook

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

Uncertainty regarding recognition and measurement

Valuation of investments in subsidiaries and goodwill

The company has made an impairment test of the investment in the subsidiary, and based on the expected activities in the subsidiary, the management has estimated that there is no need for impairment of the investment in the subsidiary including goodwill. For further explanation see note 4 in the Annual report.

The Group

Parent company

Artefact S.A., France, 100%

Subsidiaries

The company holds shares in:

Artefact Denmark A/S, Copenhagen, 100%

Events after the balance sheet date

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

Income statement for 2017

	<u>Notes</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
Gross loss		(223)	(212)
Other financial income	3	0	98
Other financial expenses	4	<u>(625)</u>	<u>(816)</u>
Profit/loss for the year		<u>(848)</u>	<u>(930)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(848)</u>	<u>(930)</u>
		<u>(848)</u>	<u>(930)</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017</u> <u>DKK'000</u>	<u>2016</u> <u>DKK'000</u>
Investments in group enterprises		24.607	24.607
Other receivables		<u>313</u>	<u>311</u>
Fixed asset investments	5	<u>24.920</u>	<u>24.918</u>
Fixed assets		<u>24.920</u>	<u>24.918</u>
Receivables from group enterprises		<u>36</u>	<u>0</u>
Receivables		<u>36</u>	<u>0</u>
Current assets		<u>36</u>	<u>0</u>
Assets		<u>24.956</u>	<u>24.918</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
Contributed capital	6	500	500
Retained earnings		<u>9.656</u>	<u>10.504</u>
Equity		<u>10.156</u>	<u>11.004</u>
Payables to group enterprises		14.646	13.811
Other payables		<u>154</u>	<u>103</u>
Current liabilities other than provisions		<u>14.800</u>	<u>13.914</u>
Liabilities other than provisions		<u>14.800</u>	<u>13.914</u>
Equity and liabilities		<u>24.956</u>	<u>24.918</u>
Uncertainty relating to recognition and measurement	1		
Staff costs	2		
Unrecognised rental and lease commitments	7		
Contingent liabilities	8		
Assets charged and collateral	9		
Related parties with controlling interest	10		
Group relations	11		

Statement of changes in equity for 2017

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	10.504	11.004
Profit/loss for the year	0	(848)	(848)
Equity end of year	500	9.656	10.156

Notes

1. Uncertainty relating to recognition and measurement

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

	<u>2017</u>	<u>2016</u>
2. Staff costs		
Average number of employees	<u>0</u>	
	2017	2016
	DKK'000	DKK'000
3. Other financial income		
Financial income arising from group enterprises	0	83
Other interest income	<u>0</u>	<u>15</u>
	<u>0</u>	<u>98</u>
	2017	2016
	DKK'000	DKK'000
4. Other financial expenses		
Financial expenses from group enterprises	621	718
Other interest expenses	0	93
Other financial expenses	<u>4</u>	<u>5</u>
	<u>625</u>	<u>816</u>
	Invest-	
	ments in	
	group	
	enterprises	Other
	DKK'000	receivables
	DKK'000	DKK'000
5. Fixed asset investments		
Cost beginning of year	206.511	311
Additions	<u>0</u>	<u>2</u>
Cost end of year	<u>206.511</u>	<u>313</u>
Impairment losses beginning of year	<u>(181.904)</u>	<u>0</u>
Impairment losses end of year	<u>(181.904)</u>	<u>0</u>
Carrying amount end of year	<u>24.607</u>	<u>313</u>

Notes

A review for impairment of the investment requires a calculation of the value in use of the cash-generating unit to which the value relates. In determining the value in use, Management's evaluation of the most likely outcome of the future forms the basis, and this will inherently be subject to uncertainty. Furthermore, the Company is exposed to normal business risks and uncertainties that may cause actual results to vary from those estimates. Due to the nature of the business, estimates are made of cash flows for several years ahead, which inherently results in some uncertainty. The budget for 2017 and forecasts have been approved by Management. They include the effect of plans intended to ensure major growth and efficiency improvement in the years ahead.

Besides the budgets, the most important parameters used to calculate the value are a discount rate of 7.4% (2016: 6.9%) and a growth rate in the terminal period of 1.5% (2016:1.5%).

	<u>Number</u>	<u>Par value DKK'000</u>	<u>Nominal value DKK'000</u>
6. Contributed capital			
Aktier	5.000.000	0,0001	500
	<u>5.000.000</u>		<u>500</u>

	<u>2017 DKK'000</u>	<u>2016 DKK'000</u>
7. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	<u>460</u>	<u>461</u>

8. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities from the financial year 2013, and as of 1. July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

Letter of support to subsidiary

ARTEFACT Holding A/S has issued a letter of support to ARTEFACT Denmark A/S stating that the company is irrevocably obligated to support the subsidiary in meeting all obligations until 31 March 2019. Similarly, ARTEFACT Holding A/S has received a letter of support from its Parent, ARTEFACT S.A.

9. Assets charged and collateral

Floating charge

ARTEFACT Denmark A/S' bank loans are secured on an all monies mortgage (floating charge) of a nominal amount of DKK 17,000k on a group charge on unsecured claims from sale of goods and services, operating equipment, fixtures and fittings, goodwill, domain rights and other rights.

Notes

Collateral provided for group enterprises

Any obligation that ARTEFACT Denmark A/S has or may have to Skjern Bank A/S is guaranteed by ARTEFACT Holding A/S as collateral security. At 31.12.2017, the bank debt of the subsidiary totals DKK 4,754k.

Shares charged

The shares in the subsidiary ARTEFACT Denmark A/S have been provided as security for the debt to Skjern Bank A/S. The carrying amount of the investments is DKK 24,607k.

10. Related parties with controlling interest

ARTEFACT S.A., Paris, France ejer alle aktier i virksomheden og har dermed bestemmende indflydelse på dette.

11. Group relations

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

ARTEFACT S.A., Paris, France, reg. No./SIREN 418 267 704

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

ARTEFACT S.A., Paris, France, reg. NO./SIREN 418 267 704

Accounting policies

Reporting class

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

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

Consolidated accounts

With reference to section 112 of the Danish Financial Statements Act. 1, consolidated accounts have not been prepared.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises other external expenses.

Other external expenses

Other external expenses comprise administrative expenses, etc.

Other financial income

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

Accounting policies

Other financial expenses

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

Balance sheet

Investments in group enterprises

Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Other financial liabilities

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