

ARTEFACT HOLDING A/S
Pilestræde 52 A, 3.
1112 København K

Annual report for 2018

Adopted at the annual general meeting on
27 May 2019

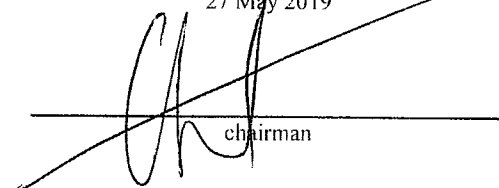

chairman

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STATEMENT BY MANAGEMENT ON THE ANNUAL REPORT

The supervisory and executive boards have today discussed and approved the annual report of Artefact Holding A/S for the financial year 1 January - 31 December 2018.

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 company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

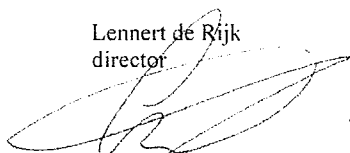
In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 27 May 2019

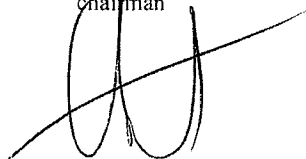
Executive board

Lennert de Rijk
director



Supervisory board

Guillaume Marie Paul de
Roquemaurel
chairman



Benjamin Sylvain Henri Hartmann Lennert de Rijk



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 1 January - 31 December 2018, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

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 the 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 judgment and maintain professional skepticism 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 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.

INDEPENDENT AUDITOR'S REPORT

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.

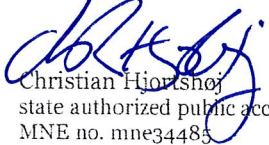
Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.


Based on the work we have performed, we conclude that 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 of management's review.

Copenhagen, 27 May 2019

MAZARS

Statsautoriseret Revisionspartnerselskab
CVR no. 31 06 17 41


Christian Hjørtsø
state authorized public accountant
MNE no. mne34485


Dennis Herholdt Rasmussen
state authorized public accountant
MNE no. mne43413

COMPANY DETAILS

The company	Artefact Holding A/S Pilestræde 52 A, 3. 1112 København K
	CVR no.: 27 21 65 79
	Reporting period: 1 January - 31 December 2018
	Domicile: Copenhagen
Supervisory board	Guillaume Marie Paul de Roquemaurel, chairman Benjamin Sylvain Henri Hartmann Lennert de Rijk
Executive board	Lennert de Rijk, director
Auditors	Mazars Statsautoriseret Revisionspartnerselskab Østerfælled Torv 10, 2. sal 2100 København Ø

MANAGEMENT'S REVIEW

Business activities

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 digital marketing engineering in Europe.

Artefact is a digital agency with focus on marketing engineering. Artefact helps its customers with digital 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.

Business review

The company's income statement for the year ended 31 December shows a loss of TDKK 758, and the balance sheet at 31 December 2018 shows equity of TDKK 10.900.

Financial review

The income statement shows a deficit after tax of DKK -836K. The Company's results and financial development have not met the expectations expressed by the former Management.

Continued from Q4 2017, 2018 has been a transition year for Artefact Denmark AS, where the new management team has continued with structural changes, measurements in cost reduction and growth and development in services to be more aligned with the Artefact Group service offering. 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 and capital injection to continue to fund development and growth. Artefact S.A. irrevocably undertakes to support the company and its subsidiary in fulfilling its obligations until June 30, 2020.

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 and enhanced brand awareness, the management have positive expectations for the future and are confident that the business will regain market shares.

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 2 in the Annual report.

Parent company

Artefact S.A., France, 100%

Subsidiaries

The company holds shares in: Artefact Denmark A/S, Copenhagen, 100%

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

ACCOUNTING POLICIES

The annual report of Artefact Holding A/S for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act concerning reporting class B entities as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2018 is presented in TDKK

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit or loss comprises other external expenses.

Other external expenses

Other external expenses include expenses related to administration etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

ACCOUNTING POLICIES

Profit/loss from investments in subsidiaries

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company is subject to the Danish rules on compulsory joint taxation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Investments in subsidiaries

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2018 TDKK	2017 TDKK
Gross profit		-111	-297
Staff costs	1	0	75
Profit/loss before net financials		-111	-222
Financial costs	2	-647	-625
Profit/loss before tax		-758	-847
Tax on profit/loss for the year		0	0
Profit/loss for the year		-758	-847
 Distribution of profit			
Retained earnings		-758	-847
		-758	-847

BALANCE SHEET 31 DECEMBER

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
ASSETS			
Investments in subsidiaries	3	24.607	24.607
Deposits	4	318	313
Fixed asset investments		<u>24.925</u>	<u>24.920</u>
Total non-current assets		<u>24.925</u>	<u>24.920</u>
Receivables from subsidiaries		0	36
Receivables		<u>0</u>	<u>36</u>
Total current assets		<u>0</u>	<u>36</u>
Total assets		<u><u>24.925</u></u>	<u><u>24.956</u></u>

BALANCE SHEET 31 DECEMBER

	Note	2018 TDKK	2017 TDKK
EQUITY AND LIABILITIES			
Share capital		500	500
Retained earnings		10.400	9.658
Equity		10.900	10.158
Payables to subsidiaries		13.951	14.646
Other payables		74	152
Total current liabilities		14.025	14.798
Total liabilities		14.025	14.798
Total equity and liabilities		24.925	24.956
Uncertainty in the recognition and measurement	5		
Contingencies, etc.	6		
Mortgages and collateral	7		
Related parties and ownership structure	8		

STATEMENT OF CHANGES IN EQUITY

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2018	500	9.658	10.158
Net profit/loss for the year	0	-758	-758
Contribution from group	0	1.500	1.500
Equity at 31 December 2018	<u>500</u>	<u>10.400</u>	<u>10.900</u>

NOTES

	2018 TDKK	2017 TDKK
1 STAFF COSTS		
Other staff costs	0	-75
	0	-75
Average number of employees	0	0
2 FINANCIAL COSTS		
Financial expenses, group entities	639	621
Exchange adjustments costs	8	4
	647	625
3 INVESTMENTS IN SUBSIDIARIES		
Cost at 1 January 2018	206.511	206.511
Cost at 31 December 2018	206.511	206.511
Revaluations at 1 January 2018	-181.904	-181.904
Revaluations at 31 December 2018	-181.904	-181.904
Carrying amount at 31 December 2018	24.607	24.607

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 evaluate the most likely outcome of future business, and this is subject to uncertainty. Furthermore, the Company is exposed to normal business risks and uncertainties that cause the result to vary from the estimates. The estimates are made of cash flows for several years ahead, 2019-2023, and therefor subject to uncertainty. Budgets and forecasts have been approved by Management and shows growth in the years ahead.

Besides the budgets, the most important parameters used to calculate the value are a discount rate of 6,81% (2017: 7,4%) and a growth rate in the terminal period of 1,5% (2017: 1,5%).

4 FIXED ASSET INVESTMENTS

	Deposits
Cost at 1 January 2018	313
Additions for the year	5
Cost at 31 December 2018	318
Impairment losses at 1 January 2018	0
Impairment losses at 31 December 2018	0
Carrying amount at 31 December 2018	318

NOTES

5 UNCERTAINTY IN THE RECOGNITION AND MEASUREMENT

The Company has a significant deferred tax asset relating to losses carried forward that has not been recognized in the annual report.

6 CONTINGENCIES, ETC.

Rental and lease commitments

The Company have a rental commitment regarding offices with 6 months termination amount to TDKK 300 as of 31 December 2018.

As management company, the company is jointly taxed with other Danish related parties and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2013 onwards as well as for payment of withholding taxes on dividends, interest and royalties which fall due for payment.

Letter of support from Artefact S.A.

The Company has received a letter of support from Artefact S.A., which irrevocably undertakes to support the company in fulfilling all its obligations until 30 June, 2020. Similarly, Artefact Holding A/S have given a letter of support to the subsidiary Artefact Denmark A/S.

7 MORTGAGES AND COLLATERAL

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 31.12.2018, the bank debt of the subsidiary totals TDKK 4,148.

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 TDKK 24,607.

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

8 RELATED PARTIES AND OWNERSHIP STRUCTURE

Controlling interest

ARTEFACT S.A., Paris, France owns all shares and have controlling interest.

Transactions

Transactions with related parties has been entered into on market terms.

Ownership structure

According to the company's register of shareholders, the following shareholder holds at least 5% of the votes or at least 5% of the share capital:

ARTEFACT S.A., Paris, France

NOTES

8 RELATED PARTIES AND OWNERSHIP STRUCTURE (CONTINUED)

Consolidated financial statements

Name and registered office of the parent company preparing consolidated financial statements for the group:
Artefact S.A.

The group report of can be obtained at the following address:

Artefact S.A.
Paris
France
reg. no./SIREN 418 267 704