Presidents Institute ApS

Olof Palmes Gade 8, 2100 København Ø

CVR no. 29 18 37 16

Annual report for 2016

This annual report has been adopted at the company's annual general meeting on May 24, 2017

Søren Morbitzer Christoffersen
Chairman of the meeting

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Company information etc.

The company

Presidents Institute ApS
Olof Palmes Gade 8
2100 København Ø
Tel.: 28 88 20 60
Registered office: København Ø
CVR no.: 29 18 37 16
Financial year: 01.01 - 31.12

Executive Board

Christian Engelsen

Board Of Directors

Anthonie van Rossum
Ali Levin Hall
Lars Fløe Nielsen
Thomas Kirk Albert

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Statement of the Board of Directors and Executive Board on the annual report

We have on this day presented the annual report for the financial year 01.01.16 - 31.12.16 for Presidents Institute ApS.

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

In our opinion, the financial statements give a true and fair view of the the company's assets, liabilities and financial position as at 31.12.16 and of the results of the the company's activities for the financial year 01.01.16 - 31.12.16.

We believe that the management's review includes a fair review of the matters dealt with in the management's review.

The annual report is submitted for adoption by the general meeting.

Copenhagen, May 10, 2017

Executive Board

Christian Engelsen

Board Of Directors

Anthonie van Rossum
Chairman

Ali Levin Hall

Lars Fløe Nielsen

Thomas Kirk Albert

Independent auditor's report

To the shareholder of Presidents Institute ApS

Opinion

We have audited the financial statements of Presidents Institute ApS for the financial year 01.01.16 - 31.12.16, which comprise the income statement, balance sheet, statement of changes in equity and notes, inclusive of accounting policies. The financial statements are prepared in accordance with Danish Financial Statements Act

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.16 and of the results of the company's operations for the financial year 01.01.16 - 31.12.16 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 "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.

Supplementary information regarding matters in the financial statements

Without it affecting our conclusion of the annual report we draw attention to note number 1. The enterprise's budget for 2017 shows that the cash needs falls within the lines of credit currently extended by the bank. We agree with the Board of Directors that the annual report for 2016 has been submitted accordingly to the principals of going concern.

Statement regarding the 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 Acts. We did not identify any material misstatement of management's review.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 International Standards on Auditing 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 International Standards on Auditing and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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.

Soeborg, Copenhagen, May 10, 2017

Beierholm

Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Anders Ladegaard
State Authorized Public Accountant

Primary activities

The company's activities is engaged in providing training and professional development at the executive level.

Development in activities and financial affairs

The income statement for the period 01.01.16 - 31.12.16 shows a profit/loss of DKK -6,419,141 against DKK -7,873,418 for the period 01.01.15 - 31.12.15. The balance sheet shows equity of DKK -13,108,950.

The company's equity is negative with DKK -13.108.950. The management expect to re-establish the share capital by ordinary income during the comming years.

The enterprise's cash budget for FY 2017 shows that the cash needs falls within the lines of credit currently extended by the bank.

Income statement

Note		2016 DKK	2015 DKK
	Gross profit	**18.869.035**	**27.685.392**
2	Staff costs	-25.384.696	-32.319.256
	Profit/loss before depreciation, amortisation, write-downs and impairment losses	**-6.515.661**	**-4.633.864**
	Depreciation, amortisation, impairment losses and write-downs of property, plant and equipment	-1.075.140	0
	Profit/loss before net financials	**-7.590.801**	**-4.633.864**
	Income from equity investments in group enterprises	-568.358	-3.385.993
	Financial income	36	198.992
	Financial expenses	-458.643	-212.513
	Profit/loss before tax	**-8.617.766**	**-8.033.378**
	Tax on profit or loss for the year	2.198.625	159.960
	Profit/loss for the year	**-6.419.141**	**-7.873.418**

Proposed appropriation account

Retained earnings	-6.419.141	-7.873.418
Total	**-6.419.141**	**-7.873.418**

Balance sheet

ASSETS

Note		31.12.16 DKK	31.12.15 DKK
	Completed development projects	4.300.579	0
	Development projects in progress	0	5.375.719
	Total intangible assets	**4.300.579**	**5.375.719**
	Equity investments in group enterprises	703.552	0
	Deposits	1.032.217	1.033.663
	Total investments	**1.735.769**	**1.033.663**
	Total non-current assets	**6.036.348**	**6.409.382**
	Trade receivables	2.902.496	4.668.350
	Receivables from group enterprises	679.933	0
	Deferred tax asset	3.035.450	836.892
	Income tax receivable	3.715.678	4.247.770
	Other receivables	24.708	123.985
	Prepayments	1.416.371	321.251
	Total receivables	**11.774.636**	**10.198.248**
	Cash	**1.241.045**	**41.924**
	Total current assets	**13.015.681**	**10.240.172**
	Total assets	**19.052.029**	**16.649.554**

Balance sheet

EQUITY AND LIABILITIES

Note		31.12.16 DKK	31.12.15 DKK
	Contributed capital	312.500	125.000
	Share premium	9.812.500	0
	Retained earnings	-23.233.950	-16.883.147
	Total equity	**-13.108.950**	**-16.758.147**
3	Other provisions	1.149.228	2.964.453
	Total provisions	**1.149.228**	**2.964.453**
4	Subordinate loan capital	10.000.000	0
	Total long-term payables	**10.000.000**	**0**
4	Short-term portion of long-term payables	167.643	0
	Payables to other credit institutions	3.551.655	9.906.305
	Trade payables	552.564	1.680.532
	Payables to group enterprises	2.470.746	242.215
	Other payables	4.779.852	5.489.627
	Deferred income	9.489.291	13.124.569
	Total short-term payables	**21.011.751**	**30.443.248**
	Total payables	**31.011.751**	**30.443.248**
	Total equity and liabilities	**19.052.029**	**16.649.554**

5 Contingent liabilities
6 Charges and security

Statement of changes in equity

Figures in DKK	Share capital	Share premium	Retained earnings	Total equity
Statement of changes in equity for 01.01.16 - 31.12.16				
Balance pr. 01.01.16	125.000	0	-16.883.147	-16.758.147
Foreign currency translation adjustment of foreign enterprises	0	0	68.338	68.338
Capital increase	187.500	9.812.500	0	10.000.000
Net profit/loss for the year	0	0	-6.419.141	-6.419.141
Balance as at 31.12.16	312.500	9.812.500	-23.233.950	-13.108.950

1. Information as regards going concern

The enterprise's budget for 2017 shows that the cash needs falls within the lines of credit currently extended by the bank. Based on this, the company has submitted the annual report for 2016 after the principals on going concern.

2. Staff costs

Wages and salaries	24.708.702	31.626.318
Other social security costs	675.994	692.938
Total	25.384.696	32.319.256
Average number of employees during the year	47	72

3. Other provisions

Figures in DKK	Provisions for subsidiaries
Provisions pr. 01.01.16	2.964.453
Reversed provision in respect of previous years	-1.815.225
Provisions as at 31.12.16	1.149.228

	31.12.16 DKK	31.12.15 DKK
Other provisions are expected to be distributed as follows:		
Current liabilities	1.149.228	2.964.453
Total	1.149.228	2.964.453

4. Longterm payables

Figures in DKK	Repayment first year	Total payables at 31.12.16
Subordinate loan capital	167.643	10.167.643
Total	167.643	10.167.643

5. Contingent liabilities

Total contingent liabilities	18.355.220	20.806.195

6. Charges and security

As collateral for debt to credit institutions, a company charge has been provided of DKK 5.000.000 comprising imateriel intellectual property rights, other plant, fixtures and fittings and trade receivables. The total carrying amount of the comprised assets is DKK 7.203.075.

7. Accounting policies

GENERAL

The annual report is presented in accordance with the provisions of the Danish Financial Statements Act (*Årsregnskabsloven*) for enterprises in reporting class B with application of provisions for reporting class C medium-sized.

The accounting policies have been applied consistently with previous years.

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 depreciation, amortisation, impairment losses and write-downs, 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 such assets 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 such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the date at which the annual report is presented and proving or disproving matters arising on or before the balance sheet date.

CURRENCY

The annual report is presented in Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated using the exchange rates applicable at the transaction date. Exchange rate differences between the exchange rate applicable at the transaction date and the exchange rate at the date of payment are recognised in the income statement as a financial item. Receivables, payables and other monetary items denominated in foreign currencies are translated using the exchange rates applicable at the balance sheet date. The difference between the exchange rate applicable at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised under financial income or expenses in the income statement. Fixed assets and other non-monetary assets acquired in foreign currencies are translated using historical exchange rates.

On recognition of foreign subsidiaries which are independent entities, the income

7. Accounting policies - continued -

statements are translated at the exchange rates applicable at the transaction date or approximate average exchange rates. The balance sheet items are translated using the exchange rates applicable at the balance sheet date. Foreign currency translation adjustments arising from the translation of equity at the beginning of the year using the exchange rates applicable at the balance sheet date and from the translation of income statements from average exchange rates to the exchange rates applicable at the balance sheet date are recognised directly in equity.

Translation adjustments of intercompany balances with independent foreign subsidiaries, measured using the equity method and where the balance is considered to be part of the overall investment, are recognised directly in equity. On the divestment of foreign entities, accumulated exchange differences are recognised in the income statement.

INCOME STATEMENT

Gross profit

Gross profit comprises revenue, other operating income and cost of sales and other external expenses.

Revenue

Income from the sale of services is recognised as delivery takes place. Revenue is measured at the selling value of the agreed consideration exclusive of VAT and other taxes collected on behalf of third parties and less discounts.

Other operating income

Other operating income comprises income of a secondary nature in relation to the enterprise’s activities, including rental income and gains on the sale of intangible assets and property, plant and equipment.

Cost of sales

Cost of sales comprises costs incured to its primary operations includes meeting premises, catering and speakers.

Other external expenses

7. Accounting policies - continued -

Other external expenses comprise costs relating to distribution, sales and advertising and administration, premises and bad debts to the extent that these do not exceed normal write-downs.

Staff costs

Staff costs comprise wages and salaries as well as other staff-related costs.

Depreciation, amortisation and impairment losses

The amortisation and depreciation of intangible assets aim at systematic depreciation and amortisation over the expected useful lives of the assets. Assets are depreciated/amortised according to the straight-line method based on the following expected useful lives and residual values:

	Useful lives, years	Residual value DKK
Completed development projects	5 years	0
Other plant, fixtures and fittings, tools and equipment	3-5 years	0

The basis of depreciation/amortisation is the cost of the asset less the expected residual value at the end of the useful life. Moreover, the basis of depreciation/amortisation is reduced by any impairment losses. The useful life and residual value are determined when the asset is ready for use and reassessed annually.

Intangible assets are impaired in accordance with the accounting policies referred to in the 'Impairment losses on fixed assets' section.

Income from equity investments in group entreprises

For equity investments in subsidiaries, measured using the equity method, the share of the enterprises' profit or loss is recognised in the income statement after elimination of unrealised intercompany profits and losses and less any goodwill amortisation and impairment losses.

Income from equity investments in subsidiaries comprises gains and losses on the sale of equity investments.

7. Accounting policies - continued -

Other net financials

Interest income and interest expenses, foreign exchange gains and losses on transactions denominated in foreign currencies etc. are recognised in other net financials.

Tax on profit/loss for the year

The current and deferred tax for the year is recognised in the income statement as tax on the profit/loss for the year with the portion attributable to the profit/loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

BALANCE SHEET

Intangible assets

Completed development projects and development projects in progress

Development projects are recognised in the balance sheet where the project aims at developing a specific product or a specific process, intended to be produced or used, respectively, by the company in its production process. On initial recognition, development projects are measured at cost. Cost comprises the purchase price plus expenses resulting directly from the purchase, including wages and salaries directly attributable to the development projects until the asset is ready for use. Interest on loans arranged to finance development projects in the development period is not included in the cost. Other development projects and development costs are recognised in the income statement in the year in which they are incurred.

Development projects in progress are transferred to completed development projects when the asset is ready for use.

Development projects are subsequently measured in the balance sheet at cost less accumulated amortisation and impairment losses.

Completed development projects are amortised using the straight-line method based on useful lives, which are stated in the ‘Depreciation, amortisation and impairment losses’ section.

Gains and losses on the disposal of intangible assets

Gains and losses on the disposal of intangible assets are determined as the difference between the selling price, if any, less selling costs and the carrying amount at the date of disposal.

7. Accounting policies - continued -

Equity investments in group entreprises

Equity investments in subsidiaries are recognised and measured according to the equity method, meaning that these equity investments are measured at the proportionate share of the enterprises' equity value, determined according to the accounting policies of the parent, adjusted for the remaining value of positive or negative goodwill and gains and losses on transactions with the enterprises in question.

Equity investments in subsidiaries with a negative carrying amount are measured at DKK 0. Receivables that are considered part of the combined investment in the enterprises in question are impaired by any remaining negative equity value. Other receivables from such enterprises are impaired to the extent that such receivables are considered uncollectible. Provisions to cover the remaining negative equity value are recognised only to the extent that the company has a legal or constructive obligation to cover the liabilities of the enterprise in question.

Gains or losses on the divestment of subsidiaries are determined as the difference between the divestment consideration and the carrying amount of net assets at the time of sale, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income statement under income from equity investments.

Impairment losses on fixed assets

The carrying amount of fixed assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation/amortisation.

If the company's realised return on an asset or a group of assets is lower than expected, this is considered an indication of impairment.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets.

The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

7. Accounting policies - continued -

Impairment losses are reversed when the reasons for the impairment no longer exist.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined based on an individual assessment of each receivable if there is no objective evidence of individual impairment of a receivable.

Deposits recognised under assets comprise deposits paid to the lessor under leases entered into by the company.

Prepayments

Prepayments recognised under assets comprise costs incurred in respect of subsequent financial years.

Cash

Cash includes deposits in bank accounts as well as operating cash.

Equity

The net revaluation of equity investments in subsidiaries is recognised in the net revaluation reserve in equity according to the equity method to the extent that the carrying amount exceeds the cost.

Current and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for tax paid on account.

Joint taxation contributions payable and receivable are recognised as income tax under receivables or payables in the balance sheet.

Deferred tax liabilities and tax assets are recognised on the basis of all temporary differences between the carrying amounts and tax bases of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for

7. Accounting policies - continued -

tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or elimination in tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Payables

With subordinate loan capital, the creditor has subordinated its claim to those of all other creditors of the company.

Long-term payables are measured at cost at the time of contracting such liabilities (raising of the loan). The payables are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the payable on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Short-term payables are measured at amortised cost, normally corresponding to the nominal value of such payables.

Prepayments received from customers

Deferred income

Deferred income under liabilities comprises payments received in respect of income in subsequent financial years.