

MSN Services ApS
Lyngbyvej 20, 3.
2100 Copenhagen Ø
Central Business Registration No
30827333

Annual report 2016

The Annual General Meeting adopted the annual report on 21.04.2017

Chairman of the General Meeting

Name: Martin Horst Sørensen

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Entity details

Entity

MSN Services ApS
Lyngbyvej 20, 3.
2100 Copenhagen Ø

Central Business Registration No: 30827333

Registered in: Copenhagen

Financial year: 01.01.2016 - 31.12.2016

Executive Board

Martin Horst Sørensen, Chief Executive Officer

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of MSN Services ApS for the financial year 01.01.2016 - 31.12.2016.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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

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

Copenhagen, 30.03.2017

Executive Board

Martin Horst Sørensen
Chief Executive Officer

Independent auditor's reports

To the shareholder of MSN Services ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of MSN Services ApS for the financial year 01.01.2016 - 31.12.2016. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

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.

Independent auditor's reports

In connection with our extended review 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 extended review 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.

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, 30.03.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Ove Nielsen

State Authorised Public Accountant

Management commentary

Primary activities

The Entity's activities comprise consultancy and financial services, including shareholding in other entities.

Development in activities and finances

The performance for the year is considered satisfactory.

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 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Revenue		1.719.402	1.501
Cost of sales		0	(2)
Other external expenses		<u>(380.235)</u>	<u>(484)</u>
Gross profit/loss		1.339.167	1.015
Staff costs	1	(872.524)	(953)
Depreciation, amortisation and impairment losses	2	<u>4.917</u>	<u>27</u>
Operating profit/loss		471.560	89
Income from investments in group enterprises		8.961	31
Income from investments in associates		6.469	(6)
Other financial income	3	351.335	409
Other financial expenses	4	<u>(74.461)</u>	<u>(38)</u>
Profit/loss before tax		763.864	485
Tax on profit/loss for the year	5	<u>(166.063)</u>	<u>(118)</u>
Profit/loss for the year		597.801	367
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		51.700	51
Retained earnings		<u>546.101</u>	<u>316</u>
		597.801	367

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Other fixtures and fittings, tools and equipment		0	25
Property, plant and equipment	6	0	25
Investments in group enterprises		70.754	84
Investments in associates		33.333	27
Fixed asset investments	7	104.087	111
Fixed assets		104.087	136
Trade receivables		330.563	0
Receivables from group enterprises		1.169.258	1.172
Receivables from associates		298.936	129
Other receivables		12.160	14
Receivables		1.810.917	1.315
Other investments		6.439.079	6.200
Other investments		6.439.079	6.200
Cash		26.749	78
Current assets		8.276.745	7.593
Assets		8.380.832	7.729

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Contributed capital		125.000	125
Retained earnings		6.841.405	6.295
Proposed dividend		<u>51.700</u>	<u>51</u>
Equity		<u>7.018.105</u>	<u>6.471</u>
Deferred tax		0	6
Provisions for investments in group enterprises		<u>261.190</u>	<u>283</u>
Provisions		<u>261.190</u>	<u>289</u>
Bank loans		643.379	698
Income tax payable		122.923	92
Other payables	8	<u>335.235</u>	<u>179</u>
Current liabilities other than provisions		<u>1.101.537</u>	<u>969</u>
Liabilities other than provisions		<u>1.101.537</u>	<u>969</u>
Equity and liabilities		<u>8.380.832</u>	<u>7.729</u>
Contingent liabilities	9		
Mortgages and securities	10		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	125.000	6.295.304	50.600	6.470.904
Ordinary dividend paid	0	0	(50.600)	(50.600)
Profit/loss for the year	0	546.101	51.700	597.801
Equity end of year	125.000	6.841.405	51.700	7.018.105

Notes

	2016	2015
	DKK	DKK'000
1. Staff costs		
Wages and salaries	708.484	772
Pension costs	148.608	152
Other social security costs	4.056	4
Other staff costs	11.376	25
	872.524	953
	2016	2015
	DKK	DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	8.600	9
Profit/loss from sale of intangible assets and property, plant and equipment	(13.517)	(36)
	(4.917)	(27)
	2016	2015
	DKK	DKK'000
3. Other financial income		
Financial income arising from group enterprises	55.411	60
Interest income	295.924	188
Fair value adjustments	0	161
	351.335	409
	2016	2015
	DKK	DKK'000
4. Other financial expenses		
Interest expenses	37.513	37
Fair value adjustments	31.986	0
Other financial expenses	4.962	1
	74.461	38

Notes

	2016	2015
	DKK	DKK'000
5. Tax on profit/loss for the year		
Tax on current year taxable income	171.958	112
Change in deferred tax for the year	(5.895)	(2)
Adjustment concerning previous years	0	8
	166.063	118
		Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment		
Cost beginning of year		43.000
Disposals		(43.000)
Cost end of year		0
Depreciation and impairment losses beginning of the year		(17.917)
Depreciation for the year		(8.600)
Reversal regarding disposals		26.517
Depreciation and impairment losses end of the year		0
Carrying amount end of year		0

Notes

	Investments in group enterprises DKK	Investments in associates DKK
7. Fixed asset investments		
Cost beginning of year	240.000	33.333
Cost end of year	240.000	33.333
Revaluations beginning of year	(156.153)	(6.469)
Share of profit/loss for the year	0	6.469
Revaluations end of year	(156.153)	0
Share of profit/loss for the year	(13.093)	0
Impairment losses end of year	(13.093)	0
Carrying amount end of year	70.754	33.333

Notes

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity inte- rest %</u>
Investments in associates comprise:			
Document IT ApS	Copenhagen	ApS	33,3

	<u>2016 DKK</u>	<u>2015 DKK'000</u>
8. Other payables		
VAT and duties	275.979	118
Wages and salaries, personal income taxes, social security costs, etc payable	24.354	26
Other costs payable	34.902	35
	<u>335.235</u>	<u>179</u>

9. Contingent liabilities

The Company 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 from the financial year 2013 for income taxes etc for the jointly taxed companies and from 01.07.2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

The Entity has issued letters of support to the subsidiaries S Ejendomme ApS and S Ejendomme II ApS. It appears from these letters of support that the Entity will make the necessary funds available to the subsidiaries thus they are able to settle their obligations as they fall due.

10. Mortgages and securities

A portfolio of securities at a book value of DKK 6,439 thousand and a bankaccount at a book value of DKK 15 thousand has been deposited as security for a loan from Nykredit of DKK 610 thousand and a loan from Spar Nord of DKK 24 thousand.

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.

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

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

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Accounting policies

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Income from investments in associates

Income from investments in associates comprises dividends etc received from the individual associates in the financial year.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital 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.

Other financial expenses

Other financial expenses comprise interest expenses, net capital 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.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Accounting policies

Other fixtures and fittings, tools and equipment 5 years

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method under equity.

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

Investments in associates

Investments in associates are measured at cost and 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 investments

Securities recognised under current assets comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions

Other provisions comprise anticipated costs of decided and published restructuring, etc.

Accounting policies

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Other financial liabilities

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

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax