

MSN Services ApS
Gyngemose Parkvej 50
2860 Søborg
Central Business Registration No
30827333

Annual report 2017

The Annual General Meeting adopted the annual report on 22.04.2018

Chairman of the General Meeting

Name: Martin Horst Sørensen

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Entity details

Entity

MSN Services ApS
Gyngemose Parkvej 50
2860 Søborg

Central Business Registration No: 30827333

Registered in: Gladsaxe

Financial year: 01.01.2017 - 31.12.2017

Executive Board

Martin Horst Sørensen, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

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 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Søborg, 22.04.2018

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 01.01.2017 - 31.12.2017. 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 31.12.2017 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.

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, 22.04.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Ove Nielsen

State Authorised Public Accountant

Identification number (MNE) mne16614

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 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Revenue		464	1.719
Other external expenses		<u>(330.660)</u>	<u>(379)</u>
Gross profit/loss		(330.196)	1.340
Staff costs	1	(10.934)	(874)
Depreciation, amortisation and impairment losses	2	<u>0</u>	<u>5</u>
Operating profit/loss		(341.130)	471
Income from investments in group enterprises		(28.124)	9
Income from investments in associates		0	6
Other financial income	3	587.685	352
Other financial expenses	4	<u>(47.113)</u>	<u>(74)</u>
Profit/loss before tax		171.318	764
Tax on profit/loss for the year	5	<u>(44.856)</u>	<u>(166)</u>
Profit/loss for the year		<u>126.462</u>	<u>598</u>
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		52.900	52
Retained earnings		<u>73.562</u>	<u>546</u>
		<u>126.462</u>	<u>598</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Investments in group enterprises		413.234	71
Investments in associates		33.333	33
Fixed asset investments	6	446.567	104
Fixed assets		446.567	104
Trade receivables		0	331
Receivables from group enterprises		1.242.053	1.169
Receivables from associates		0	299
Other receivables		18.259	13
Income tax receivable		72.835	0
Receivables		1.333.147	1.812
Other investments		6.905.045	6.438
Other investments		6.905.045	6.438
Cash		150.391	27
Current assets		8.388.583	8.277
Assets		8.835.150	8.381

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Contributed capital		125.000	125
Retained earnings		6.914.968	6.841
Proposed dividend		52.900	52
Equity		<u>7.092.868</u>	<u>7.018</u>
Provisions for investments in group enterprises		256.901	261
Provisions		<u>256.901</u>	<u>261</u>
Bank loans		1.425.479	644
Income tax payable		0	123
Other payables	7	59.902	335
Current liabilities other than provisions		<u>1.485.381</u>	<u>1.102</u>
Liabilities other than provisions		<u>1.485.381</u>	<u>1.102</u>
Equity and liabilities		<u>8.835.150</u>	<u>8.381</u>
Contingent liabilities	8		
Mortgages and securities	9		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	125.000	6.841.406	51.700	7.018.106
Ordinary dividend paid	0	0	(51.700)	(51.700)
Profit/loss for the year	0	73.562	52.900	126.462
Equity end of year	125.000	6.914.968	52.900	7.092.868

Notes

	2017	2016
	DKK	DKK'000
1. Staff costs		
Wages and salaries	0	710
Pension costs	10.128	149
Other social security costs	806	4
Other staff costs	0	11
	10.934	874
	2017	2016
	DKK	DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	0	9
Profit/loss from sale of intangible assets and property, plant and equipment	0	(14)
	0	(5)
	2017	2016
	DKK	DKK'000
3. Other financial income		
Financial income arising from group enterprises	60.906	56
Interest income	277.639	296
Fair value adjustments	249.140	0
	587.685	352
	2017	2016
	DKK	DKK'000
4. Other financial expenses		
Interest expenses	40.277	37
Fair value adjustments	239	32
Other financial expenses	6.597	5
	47.113	74
	2017	2016
	DKK	DKK'000
5. Tax on profit/loss for the year		
Tax on current year taxable income	44.856	172
Change in deferred tax for the year	0	(6)
	44.856	166

Notes

	Investments in group enterprises DKK	Investments in associates DKK
6. Fixed asset investments		
Cost beginning of year	240.000	33.333
Additions	374.893	0
Cost end of year	614.893	33.333
Revaluations beginning of year	(169.246)	0
Revaluations end of year	(169.246)	0
Share of profit/loss for the year	(32.413)	0
Impairment losses end of year	(32.413)	0
Carrying amount end of year	413.234	33.333

	Registered in	Corpo- rate form	Equity inte- rest %
Investments in group enterprises comprise:			
MSN Trading ApS	Nexø	ApS	100,0
S Ejendomme ApS	Nexø	ApS	100,0
S Ejendomme II ApS	Nexø	ApS	100,0
SORENSEN India Private Limited	India	Ltd.	80,0

Notes

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

	<u>2017 DKK</u>	<u>2016 DKK'000</u>
7. Other payables		
VAT and duties	0	276
Wages and salaries, personal income taxes, social security costs, etc payable	0	24
Other costs payable	59.902	35
	<u>59.902</u>	<u>335</u>

8. 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, S Ejendomme II ApS and MSN Trading ApS. It appears from these letters of support that the Entity will make the necessary funds available to the subsidiaries, thus enabling them to settle their obligations as they fall due.

9. Mortgages and securities

A portfolio of securities at a book value of DKK 6,777 thousand has been deposited as security for a loan from Spar Nord of DKK 1,425 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.

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.

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.

Accounting policies

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

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.

Accounting policies

Receivables

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

Income tax payable or receivable

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.

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.

Other provisions

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

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.