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OVG-PROXY A/S

Gothersgade 12, 1. th.
1123 København K
Central Business Registration
No 33644957

Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

Chairman of the General Meeting

Name: Mikkel Berg Kjærsgaard

Contents

Entity details

Entity
OVG-PROXY A/S
Gothersgade 12, 1. th.
1123 København K

Central Business Registration No: 33644957
Registered in: København K
Financial year: 01.01.2017 - 31.12.2017

Board of Directors
Mikkel Berg Kjærsgaard
Pia Geschwendtner
Carsten Michael Korch

Executive Board
Morten Geschwendtner

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 OVG-PROXY 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 and cash flows 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

Morten Geschwendtner

Board of Directors

Mikkel Berg Kjærsgaard	Pia Geschwendtner	Carsten Michael Korch

Independent auditor's report

To the shareholders of OVG-PROXY A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of OVG-PROXY 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, for the Group as well as the Parent, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2016, and of the results of their operations and the consolidated cash flows for the financial year 01.01.2016 - 31.12.2016 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 consolidated financial statements and the parent financial statements section of this auditor's report. We are independent of the Group 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 consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 exits. Misstatements

Independent auditor's report

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 consolidated financial statements and parent 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:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group's and 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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 the management commentary
Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent 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: 33963556

René Carøe Andersen
State Authorised Public Accountant
Identification number (MNE) mne34499

Management commentary

	2017 DKK'000	2016 DKK'000	2015 DKK'000	2014 DKK'000	2013 DKK'000
Financial highlights					
Key figures					
Gross profit	12.131	14.625	15.268	9.592	4.969
Operating profit/loss	(4.118)	(313)	9.773	5.714	1.096
Net financials	(9.591)	(1.824)	(1.498)	(795)	(662)
Profit/loss for the year	(10.847)	(1.777)	6.178	3.679	317
Total assets	113.403	97.447	36.169	27.619	15.941
Investments in property, plant and equipment	771	1.398	0	0	372
Equity incl minority interests	(3.841)	7.005	11.329	5.750	2.071
Cash flows from (used in) operating activities	(5.045)	(24.577)	2.039	(232)	(3.394)
Cash flows from (used in) investing activities	(806)	(1.419)	(44)	(88)	(373)
Cash flows from (used in) financing activities	(821)	(287)	73	3.342	0
Ratios					
Return on equity (%)	(685,7)	(19,4)	72,3	94,1	15,3
Equity ratio (%)	(3,4)	7,2	31,3	20,8	13,0

Financial highlights for 2013-2015 comprise highlights for the parent company, as establishment of the Group has taken place per January 1, 2016.

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	**Calculation formula**	**Ratios**
Return on equity (%)	Profit/loss for the year x 100 / Average equity incl minority interests	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	Equity incl minority interests x 100 / Total assets	The financial strength of the entity.

Management commentary

Primary activities

OVG-PROXY A/S principal activity is to carry out distribution activities in the Nordic region with a stringent focus on kids and home electronic products. Beginning of 2017 OVG-PROXY A/S initiated a strategic decision stopping all activities within the kitchen and household categories narrowing the company's focus areas.

Development in activities and finances

Revenue increased in the range of 9% in 2017 compared to 2016, but results of operations shows a negative profit before tax of (13.710) T.DKK.

The loss for the year is T.DKK (10.847) and at December 31, 2017 the equity amounts to T.DKK (3.841). Equity and sub ordinated loan capital at year end amouts to T.DKK 4.784.

The negative profit was mainly driving by a lower contribution margin due to stock clearance of products within the closed product categories and a calculated provision based on the remaining inventory of kitchen and house products end of 2017.

Because of the 12% drop in USD during 2017 OVG-PROXY A/S realized a significant loss on the entered FX deals and USD operations.

The inventory provision prepared end of 2017 enables OVG-PROXY A/S to initiate a significant stock clearance in 2018 not causing loss accordingly on slow moving items, kitchen and household products.

As a consequence, hereof the close down of household and kitchen products the marketing cost was significantly lower in 2017 compared to 2015 and 2016.

Distribution cost compared to revenue are also lower in 2017 compared to 2015 and 2016. This due to a constantly review of the value chain and co-operations with competitive forwarders.

To strengthen the daily operation of OVG-PROXY A/S a new management team was set in the beginning of 2017 this included a new sales director, marketing director and a product- and purchase director. As a consequence, hereof, the staff cost compared to 2015 and 2016 was increasing.

OVG-PROXY A/S have entered a new cooperation with a factoring company ensuring an improvement in the working capital. The new agreements start May 1st, 2018.

In order to strengthen the capital reserves OVG-PROXY A/S have arranged a capital infusion of DKK4.5 mio. The capital infusion is based on responsible loans and executed in March and April 2018.

As a consequence of the new financial arrangements and capital infusion OVG-PROXY A/S have secured the necessary bank facilities subject for the future growth in 2018.

Management commentary

Uncertainty related to recognition and measurement

When preparing the Group and the Company's annual report, it is necessary that Management, in accordance with legislative provisions, makes a number of accounting judgements and estimates which form the basis for the annual report. Material accounting judgements and estimates made by Management are described in the paragraph "managements material judgements and estimates" under accounting policies as well as the notes, to which we refer. The accounting judgements and estimates made primarily relates to

- The sufficiency of the Group's financing, see note 1
- The recognition and measurement of inventory, see note 11
- The recognition and measurement of deferred tax asset, see note 12

Such estimates are made on the basis of assumptions which Management considers reasonable and realistic, but which by nature are uncertain.

Outlook

With the strong brand portfolio and increasingly activity in especially Sweden and Norway a total revenue growth of 15-20% is expected for 2018. Further to the development in Norway and Sweden OVG-PROXY A/S expect to strengthen the relationship with key customers in Denmark.

The continued positive development in the overall operation, the marketing cooperation with key partners in a combination with the change of the logistic partner beginning of 2018, the overall expectation for 2018 are very positive.

OVG-PROXY A/S expect to clear the remaining inventory of household and kitchen products in 2018 but we no impact on the contribution margin based on the provision prepared end of 2017.

Events after the balance sheet date

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

Consolidated income statement for 2017

	Notes	2017 DKK	2016 DKK'000
Gross profit		**12.131.396**	**14.625**
Staff costs	2	(15.272.516)	(13.774)
Depreciation, amortisation and impairment losses	3	(977.287)	(1.164)
Operating profit/loss		**(4.118.407)**	**(313)**
Other financial income	4	30.075	1.445
Other financial expenses	5	(9.621.449)	(3.269)
Profit/loss before tax		**(13.709.781)**	**(2.137)**
Tax on profit/loss for the year	6	2.863.107	360
Profit/loss for the year	7	**(10.846.674)**	**(1.777)**

Consolidated balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK'000
Goodwill		0	0
Intangible assets	8	**0**	**0**
Other fixtures and fittings, tools and equipment		1.403.886	1.464
Leasehold improvements		30.041	178
Property, plant and equipment	9	**1.433.927**	**1.642**
Other receivables		441.752	440
Fixed asset investments	10	**441.752**	**440**
Fixed assets		**1.875.679**	**2.082**
Manufactured goods and goods for resale		24.642.481	34.618
Prepayments for goods		6.736.121	15.637
Inventories	11	**31.378.602**	**50.255**
Trade receivables		69.082.542	39.278
Receivables from group enterprises		0	611
Deferred tax	12	3.385.000	517
Other receivables		1.495.395	548
Income tax receivable		257.864	171
Prepayments	13	1.448.220	1.634
Receivables		**75.669.021**	**42.759**
Cash		**4.479.254**	**2.351**
Current assets		**111.526.877**	**95.365**
Assets		**113.402.556**	**97.447**

Consolidated balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK'000
Contributed capital		500.000	500
Retained earnings		(4.341.280)	6.505
Equity		**(3.841.280)**	**7.005**
Subordinate loan capital	14	8.000.000	8.000
Bank loans		625.406	1.726
Non-current liabilities other than provisions	15	**8.625.406**	**9.726**
Current portion of long-term liabilities other than provisions	15	2.192.185	1.913
Bank loans		66.041.389	57.241
Trade payables		15.860.835	8.456
Payables to group enterprises		6.704.502	0
Income tax payable		145.611	114
Other payables	16	17.673.908	12.992
Current liabilities other than provisions		**108.618.430**	**80.716**
Liabilities other than provisions		**117.243.836**	**90.442**
Equity and liabilities		**113.402.556**	**97.447**
Going concern	1		
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Group relations	20		
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Consolidated statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	6.505.394	7.005.394
Profit/loss for the year	0	(10.846.674)	(10.846.674)
Equity end of year	**500.000**	**(4.341.280)**	**(3.841.280)**

Consolidated cash flow statement for 2017

	Notes	2017 DKK	2016 DKK'000
Operating profit/loss		(4.118.407)	(310)
Amortisation, depreciation and impairment losses		977.287	1.164
Working capital changes	17	7.852.508	(23.229)
Cash flow from ordinary operating activities		**4.711.388**	**(22.375)**
Financial income received		30.075	1.445
Financial income paid		(9.621.449)	(3.273)
Income taxes refunded/(paid)		(164.971)	(374)
Cash flows from operating activities		**(5.044.957)**	**(24.577)**
Acquisition etc of property, plant and equipment		(770.848)	(1.398)
Acquisition of fixed asset investments		(35.560)	(42)
Sale of fixed asset investments		0	21
Cash flows from investing activities		**(806.408)**	**(1.419)**
Instalments on loans etc		(821.409)	(287)
Cash flows from financing activities		**(821.409)**	**(287)**
Increase/decrease in cash and cash equivalents		**(6.672.774)**	**(26.283)**
Cash and cash equivalents beginning of year		(54.889.361)	(28.607)
Cash and cash equivalents end of year		**(61.562.135)**	**(54.890)**
Cash and cash equivalents at year-end are composed of:			
Cash		4.479.254	2.351
Short-term debt to banks		(66.041.389)	(57.241)
Cash and cash equivalents end of year		**(61.562.135)**	**(54.890)**

Notes to consolidated financial statements

1. Going concern

The planned activities for 2018 expects to generate a profit, and a material increase in profit compared to 2017.

OVG-PROXY A/S have entered a new cooperation with a factoring company ensuring an improvement in the working capital. The new agreements starts May 1st, 2018.

OVG-PROXY A/S have in order to strengthen the capital reserves arranged a capital infusion of DKK4.5 mio. The capital infusion is based on responsible loans and executed in March and April 2018.

As a consequence of the new financial arrangements and capital infusion OVG-PROXY A/S have secured the necessary bank facilities subject for the future growth in 2018, and based on the above, Management has prepared the consolidated financial statements on the basis of going concern.

The planned activities is based on assumptions which Management consider to be reasonable and realistic, but which by nature include a level of uncertainty. If the assumptions is not realized as expected, the capital resources and thereby the sufficiency of liquidity for financing the Group's activities can be affected negatively.

	2017 DKK	2016 DKK'000
2. Staff costs		
Wages and salaries	13.645.132	12.117
Pension costs	807.833	757
Other social security costs	111.159	108
Other staff costs	708.392	792
	15.272.516	**13.774**
Average number of employees	**25**	**22**

Salary to the Excecutive Board has not been discosed with reference to the Danish Financial Statements Acts § 98 B.

	2017 DKK	2016 DKK'000
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	0	178
Depreciation of property, plant and equipment	932.009	986
	932.009	**1.164**

Notes to consolidated financial statements

4. Other financial income	2017 DKK	2016 DKK'000
Interest income	678	0
Exchange rate adjustments	29.397	1.445
	30.075	**1.445**

5. Other financial expenses	2017 DKK	2016 DKK'000
Interest expenses	4.187.435	2.819
Exchange rate adjustments	5.324.754	0
Fair value adjustments	15.641	0
Other financial expenses	93.619	450
	9.621.449	**3.269**

6. Tax on profit/loss for the year	2017 DKK	2016 DKK'000
Tax on current year taxable income	4.893	0
Change in deferred tax for the year	(2.868.000)	(360)
	(2.863.107)	**(360)**

7. Proposed distribution of profit/loss	2017 DKK	2016 DKK'000
Retained earnings	(10.846.674)	(1.777)
	(10.846.674)	**(1.777)**

8. Intangible assets	Goodwill DKK
Cost beginning of year	2.472.839
Cost end of year	**2.472.839**
Amortisation and impairment losses beginning of year	(2.472.839)
Amortisation and impairment losses end of year	**(2.472.839)**
Carrying amount end of year	**0**

Notes to consolidated financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
9. Property, plant and equipment		
Cost beginning of year	2.590.328	544.691
Additions	770.848	0
Cost end of year	**3.361.176**	**544.691**
Depreciation and impairment losses beginning of the year	(1.127.042)	(367.611)
Depreciation for the year	(830.248)	(147.039)
Depreciation and impairment losses end of the year	**(1.957.290)**	**(514.650)**
Carrying amount end of year	**1.403.886**	**30.041**

	Other receivables DKK
10. Fixed asset investments	
Cost beginning of year	398.271
Additions	43.481
Cost end of year	**441.752**
Carrying amount end of year	**441.752**

11. Inventories

A part of the total inventory is the remaining inventory related to kitchen and household products – a product-line which is closed down. When approving the annual report for 2017 this inventory amounts to app. 6 mio dkr. and is recognized at the expected sales price, based on achieved sales prices in 2017 and beginning of 2018.

The above recognition and measurement are based on assumptions which Management consider to be reasonable and realistic, but which by nature include a level of uncertainty. If the assumptions is not realized as expected, the recognition and measurement of inventory can be affected negatively.

Notes to consolidated financial statements

	2017 DKK	2016 DKK'000
12. Deferred tax		
Intangible assets	0	72
Property, plant and equipment	74.000	(30)
Tax losses carried forward	3.311.000	475
	3.385.000	**517**

Changes during the year	
Beginning of year	517.000
Recognised in the income statement	2.868.000
End of year	**3.385.000**

Management has recognized the deferred tax asset with an amount of 3.385 t.kr. of which 3.311 t.kr. is related to taxable loss carried forward. The recognition is based on Managements expectations, that the taxable loss will be utilized within the comming two years. Based on the interim report for april 2018 and expectations for the remaining part of 2018 Managements expects that more that half of the tax loss carried forward will be utilized in 2018, and the remaining part will be utilized in 2019.

The recognition and measurement of deferred tax asset is based assumptions which Management consider to be reasonable and realistic, but which by nature include a level of uncertainty, since the assumptions refers to estimates of future earnings. If the assumptions is not realized as expected, the recognition and measurement of the deferred tax asset can be affected negatively.

13. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

14. Subordinate loan capital

The subodinate loan capital has no principal payments until 2018. Until then, accrued interest are paid regularly. Repayment commences quarterly from 2018. The loan must have been fully redeemed in 2023.

	Instalments within 12 months 2017 DKK	Instalments within 12 months 2016 DKK'000	Instalments beyond 12 months 2017 DKK
15. Liabilities other than provisions			
Subordinate loan capital	1.092.185	813	8.000.000
Bank loans	1.100.000	1.100	625.406
	2.192.185	**1.913**	**8.625.406**

Outstanding amount of subordinate loan capital and bank loan after 5 years amounts to 3.000 t.kr.

Notes to consolidated financial statements

	2017 DKK	2016 DKK'000
16. Other short-term payables		
VAT and duties	12.850.837	9.457
Wages and salaries, personal income taxes, social security costs, etc payable	493.940	454
Holiday pay obligation	832.296	551
Other costs payable	3.478.976	2.530
	17.656.049	**12.992**

	2017 DKK	2016 DKK'000
17. Change in working capital		
Increase/decrease in inventories	18.877.000	(13.873)
Increase/decrease in receivables	(29.813.492)	(20.145)
Increase/decrease in trade payables etc	18.789.000	10.789
	7.852.508	**(23.229)**

18. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Kidz A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore alternatively liable for income taxes etc for the jointly taxed entities, but only for the share by which the Entity is included in the Group, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

Loan Terms for the subordinated loan provides for the payment of an exit bonus to the lender in case of significant changes in the shareholder composition.

19. Mortgages and securities

Company pledge, nom. T.DKK 62.500 in the Company's goodwill, other fixtures, inventory and debtors with a total balance sheet value of T.DKK 93.343 has been deposited as security for account with credit institution.

Company pledge, nom. T.DKK 5.500 in the Company's goodwill, other fixtures, inventory and debtors with a total balance sheet value of T.DKK 93.343 has been deposited as security for subordinated loan capital.

The company has enteres into operating lease of premises. The lease is interminable until 2019. The total lease commitment represents app. T.DKK 1.117.

The company has enteres into operating lease of equipment. The lease is interminable until 2018. The total lease commitment represents app. T.DKK 369.

Notes to consolidated financial statements

The company has enteres into operating lease of cars. The lease is interminable until 2020. The total lease commitment represents app. T.DKK 683.

20. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Kidz A/S, Copenhagen, Denmark

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
OVG-Proxy A/S, Copenhagen, Denmark

	Registered in	Corpo-rate form	Equity inte-rest %	Equity DKK	Profit/loss DKK
21. Subsidiaries					
Online Supply ApS	København	ApS	100,0	(154.862)	(178.834)
Proxy Norway AS	Norge	A/S	100,0	83.388	15.492
Proxy Sweden AB	Sverige	A/S	100,0	126.743	87.044

Parent income statement for 2017

	Notes	2017 DKK	2016 DKK'000
Gross profit		**8.442.611**	**11.752**
Staff costs	2	(11.887.393)	(11.124)
Depreciation, amortisation and impairment losses	3	(932.009)	(1.164)
Operating profit/loss		**(4.376.791)**	**(536)**
Income from investments in group enterprises		(81.599)	(37)
Other financial income	4	0	1.603
Other financial expenses	5	(9.256.284)	(3.183)
Profit/loss before tax		**(13.714.674)**	**(2.153)**
Tax on profit/loss for the year	6	2.868.000	376
Profit/loss for the year	7	**(10.846.674)**	**(1.777)**

Parent income statement for 2017

	Notes	2017 DKK	2016 DKK'000
Goodwill		0	0
Intangible assets	8	**0**	**0**
Other fixtures and fittings, tools and equipment		913.577	1.463
Leasehold improvements		30.041	177
Property, plant and equipment	9	**943.618**	**1.640**
Investments in group enterprises		58.011	140
Other receivables		406.192	398
Fixed asset investments	10	**464.203**	**538**
Fixed assets		**1.407.821**	**2.178**
Manufactured goods and goods for resale		24.642.481	35.020
Prepayments for goods		6.736.121	15.637
Inventories	11	**31.378.602**	**50.657**
Trade receivables		62.206.643	32.305
Receivables from group enterprises		8.205.573	8.117
Deferred tax	12	3.385.000	517
Other receivables		0	515
Prepayments	13	1.331.169	1.687
Receivables		**75.128.385**	**43.141**
Cash		**4.673**	**8**
Current assets		**106.511.660**	**93.806**
Assets		**107.919.481**	**95.984**

Parent balance sheet at 31.12.2017

	Notes	2017 DKK	2016 DKK'000
Contributed capital	14	500.000	500
Retained earnings		(4.341.280)	6.505
Equity		**(3.841.280)**	**7.005**
Subordinate loan capital	15	8.000.000	8.000
Bank loans		625.000	1.725
Non-current liabilities other than provisions	16	**8.625.000**	**9.725**
Current portion of long-term liabilities other than provisions	16	2.192.185	1.913
Bank loans		66.028.566	57.217
Trade payables		15.071.477	9.751
Payables to group enterprises		6.704.502	0
Income tax payable		150	98
Other payables	17	13.138.881	10.275
Current liabilities other than provisions		**103.135.761**	**79.254**
Liabilities other than provisions		**111.760.761**	**88.979**
Equity and liabilities		**107.919.481**	**95.984**
Going concern	1		
Contingent liabilities	18		
Mortgages and securities	19		
Related parties with controlling interest	20		

Parent statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	6.505.394	7.005.394
Profit/loss for the year	0	(10.846.674)	(10.846.674)
Equity end of year	**500.000**	**(4.341.280)**	**(3.841.280)**

Notes to parent financial statements

1. Going concern

The planned activities for 2018 expects to generate a profit, and a material increase in profit compared to 2017.

OVG-PROXY A/S have entered a new cooperation with a factoring company ensuring an improvement in the working capital. The new agreements starts May 1st, 2018.

OVG-PROXY A/S have in order to strengthen the capital reserves arranged a capital infusion of DKK4.5 mio. The capital infusion is based on responsible loans and executed in March and April 2018.

As a consequence of the new financial arrangements and capital infusion OVG-PROXY A/S have secured the necessary bank facilities subject for the future growth in 2018, and based on the above, Management has prepared the consolidated financial statements on the basis of going concern.

Based on this Management find that the Group have sufficient capital resources. The planned activities is based on assumptions which Management consider to be reasonable and realistic, but which by nature include a level of uncertainty. If the assumptions is not realized as expected, the capital resources and thereby the sufficiency of liquidity for financing the Group's activities can be affected negatively.

	2017 DKK	**2016 DKK'000**
2. Staff costs		
Wages and salaries	10.396.638	9.508
Pension costs	807.833	757
Other social security costs	111.159	108
Other staff costs	571.763	751
	11.887.393	**11.124**
Average number of employees	**22**	**20**

Salary to the Excecutive Board has not been discosed with reference to the Danish Financial Statements Acts § 98 B.

	2017 DKK	**2016 DKK'000**
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	0	178
Depreciation of property, plant and equipment	932.009	986
	932.009	**1.164**

Notes to parent financial statements

	2017 DKK	2016 DKK'000
4. Other financial income		
Exchange rate adjustments	0	1.603
	0	**1.603**

	2017 DKK	2016 DKK'000
5. Other financial expenses		
Interest expenses	3.850.421	2.736
Exchange rate adjustments	5.325.805	0
Other financial expenses	80.058	447
	9.256.284	**3.183**

	2017 DKK	2016 DKK'000
6. Tax on profit/loss for the year		
Change in deferred tax for the year	(2.868.000)	(376)
	(2.868.000)	**(376)**

	2017 DKK	2016 DKK'000
7. Proposed distribution of profit/loss		
Retained earnings	(10.846.674)	(1.777)
	(10.846.674)	**(1.777)**

	Goodwill DKK
8. Intangible assets	
Cost beginning of year	2.472.839
Cost end of year	**2.472.839**
Amortisation and impairment losses beginning of year	(2.472.839)
Amortisation and impairment losses end of year	**(2.472.839)**
Carrying amount end of year	**0**

Notes to parent financial statements

9. Property, plant and equipment	Other fixtures and fittings, tools and equipment DKK	Leasehold improve-ments DKK
Cost beginning of year	2.590.328	544.691
Additions	235.261	0
Cost end of year	**2.825.589**	**544.691**
Depreciation and impairment losses beginning of the year	(1.127.042)	(367.611)
Depreciation for the year	(784.970)	(147.039)
Depreciation and impairment losses end of the year	**(1.912.012)**	**(514.650)**
Carrying amount end of year	**913.577**	**30.041**

10. Fixed asset investments	Investments in group enterprises DKK	Other receivables DKK
Cost beginning of year	176.954	398.271
Additions	0	7.921
Cost end of year	**176.954**	**406.192**
Revaluations beginning of year	(37.340)	0
Share of profit/loss for the year	(81.603)	0
Revaluations end of year	**(118.943)**	**0**
Carrying amount end of year	**58.011**	**406.192**

11. Inventories

A part of the total inventory is the remaining inventory related to kitchen and household products – a product-line which is closed down. When approving the annual report for 2017 this inventory amounts to app. 6 mio dkr. and is recognized at the expected sales price, based on achieved sales prices in 2017 and beginning of 2018.

The above recognition and measurement are based on assumptions which Management consider to be reasonable and realistic, but which by nature include a level of uncertainty. If the assumptions is not realized as expected, the recognition and measurement of inventory can be affected negatively.

Notes to parent financial statements

	2017 DKK	2016 DKK'000
12. Deferred tax		
Intangible assets	0	72
Property, plant and equipment	74.000	(30)
Tax losses carried forward	3.311.000	475
	3.385.000	**517**

Changes during the year	
Beginning of year	517.000
Recognised in the income statement	2.868.000
End of year	**3.385.000**

Management has recognized the deferred tax asset with an amount of 3.385 t.kr. of which 3.311 t.kr. is related to taxable loss carried forward. The recognition is based on Managements expectations, that the taxable loss will be utilized within the comming two years. Based on the interim report for april 2018 and expectations for the remaining part of 2018 Managements expects that more that half of the tax loss carried forward will be utilized in 2018, and the remaining part will be utilized in 2019.

The recognition and measurement of deferred tax asset is based assumptions which Management consider to be reasonable and realistic, but which by nature include a level of uncertainty, since the assumptions refers to estimates of future earnings. If the assumptions is not realized as expected, the recognition and measurement of the deferred tax asset can be affected negatively.

13. Prepayments

Prepayments comprise incurred costs relating to subsequent financial years.

	Number	Par value DKK	Nominal value DKK
14. Contributed capital			
Ordinary shares	500.000	1	500.000
	500.000		**500.000**

15. Subordinate loan capital

The subodinate loan capital has no principal payments until 2018. Until then, accrued interest are paid regularly. Repayment commences quarterly from 2018. The loan must have been fully redeemed in 2023.

Notes to parent financial statements

	Instalments within 12 months 2017 DKK	Instalments within 12 months 2016 DKK'000	Instalments beyond 12 months 2017 DKK
16. Liabilities other than provisions			
Subordinate loan capital	1.092.185	813	8.000.000
Bank loans	1.100.000	1.100	625.000
	2.192.185	**1.913**	**8.625.000**

Outstanding amount of subordinate loan capital and bank loan after 5 years amounts to 3.000 t.kr.

	2017 DKK	2016 DKK'000
17. Other payables		
VAT and duties	10.469.167	7.214
Wages and salaries, personal income taxes, social security costs, etc payable	12.423	102
Holiday pay obligation	817.308	543
Other costs payable	1.839.983	2.416
	13.138.881	**10.275**

18. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Kidz A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore alternatively liable for income taxes etc for the jointly taxed entities, but only for the share by which the Entity is included in the Group, and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

Loan Terms for the subordinated loan provides for the payment of an exit bonus to the lender in case of significant changes in the shareholder composition.

The parent company has issued a letter of support to the subsidiary, Online Supply A/S.

19. Mortgages and securities

Company pledge, nom. T.DKK 62.500 in the Company's goodwill, other fixtures, inventory and debtors with a total balance sheet value of T.DKK 93.343 has been deposited as security for account with credit institution.

Company pledge, nom. T.DKK 5.500 in the Company's goodwill, other fixtures, inventory and debtors with a total balance sheet value of T.DKK 93.343 has been deposited as security for subordinated loan capital.

Notes to parent financial statements

The company has enteres into operating lease of premises. The lease is interminable until 2019. The total lease commitment represents app. T.DKK 1.117.

The company has enteres into operating lease of equipment. The lease is interminable until 2018. The total lease commitment represents app. T.DKK 369.

The company has enteres into operating lease of cars. The lease is interminable until 2020. The total lease commitment represents app. T.DKK 683.

20. Related parties with controlling interest

Kidz A/S, Copenhagen, Denmark owns the majority of the shares in the company and has a controlling interest in the company.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

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

Comparative figures

As the Group was established as per January 1, 2016 the financial highlights comprise figures and highlights from the financial statements for the parent company for 2013-2015.

Management's materiel judgements and estimates

When preparing the Group's and Company's annual report, it is necessary that Management makes a number of accounting judgments and estimates which form the basis for presentation, recognition and measurement of the Group's and the Company's assets and liabilities. These accounting judgments and estimates are based on assumptions which Management consider to be reasonable and realistic, but which by nature include a level of uncertainty. If the assumptions is not realized as expected, the effect can be negative.

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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises

Accounting policies

in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' proportionate share of profit or loss is presented as a separate item in Management's proposal for distribution of profit or loss, and their share of subsidiaries' net assets is presented as a separate item in group equity.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the acquisition date, with net assets having been calculated at fair value.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed 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.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual

Accounting policies

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 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 internal profits or losses.

Other financial income from group enterprises
Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

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 etc.

Financial expenses from group enterprises
Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies 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.

Balance sheet
Goodwill
Goodwill is the positive difference between cost and value in use of assets and liabilities taken over as part of the acquisition. Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If it is not possible to estimate the useful life reliably, it is set at 10 years. Useful lives are reassessed on an annual basis. The amortisation periods used are 5 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Accounting policies

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:

Other fixtures and fittings, tools and equipment	5 years
Leasehold improvements	5 years

Estimated useful lives and residual values are reassessed annually.

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.

Goodwill is calculated as the difference between cost of the investments and fair value of the pro rata share of assets and liabilities acquired. Goodwill is amortised straigth-line over its estimated useful life, which is fixed based on the experience gained by Management for each business area. Useful life is determined based on an assessment of whether the enterprises are strategically acquired enterprises with a strong market position and a long-term earnings profile and whether the amount of goodwill includes intangible resources of a temporary nature that cannot be separated and recognised as separate assets. If the useful life cannot be estimated reliably, it is fixed at 10 years. Useful lives are reassessed annually. The amortisation periods used are 5 years.

Investments in group enterprises 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.

Inventories
Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

Accounting policies

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

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 carry forwards, 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.

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

Prepayments
Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash
Cash comprises cash in hand and bank deposits.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Accounting policies

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.