

CEWE Nordic ApS

Søren Frichs Vej 38 K, 2. sal.  
8230 Åbyhøj

CVR no. 33 80 85 18

## Annual report 2016

The annual report was presented and approved at  
the Company's annual general meeting on

18 May 2017

Patrick Berkhouwer  
chairman



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## Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of CEWE Nordic ApS for the financial year 1 January – 31 December 2016.


The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Åbyhøj, 18 May 2017  
Executive Board:



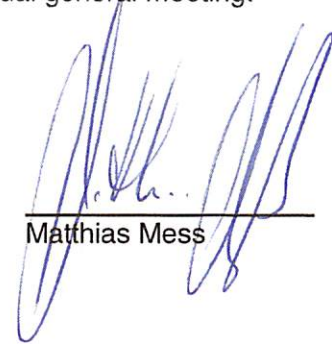
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Ané Gyldholm



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Patrick Berkhouwer



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Matthias Mess



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Jean-Paul Vern



## **Independent auditor's report**

**To the shareholders of CEWE Nordic ApS**

### **Opinion**

We have audited the financial statements of CEWE Nordic ApS for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 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 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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 that 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.



## **Independent auditor's report**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.



## Independent auditor's report

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.

### Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 18 May 2017

**KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98

Michael Mortensen  
State Authorised  
Public Accountant

Michael E. K. Rasmussen  
State Authorised  
Public Accountant

**CEWE Nordic ApS**  
Annual report 2016  
CVR no. 33 80 85 18

## **Management's review**

### **Company details**

CEWE Nordic ApS  
Søren Frichs Vej 38 K, 2. sal.  
8230 Åbyhøj

Telephone: +45 86 99 14 22  
Website: [www.cewefotobog.dk](http://www.cewefotobog.dk)

CVR no.: 33 80 85 18  
Registered office: Åbyhøj  
Financial year: 1 January – 31 December

#### **Executive Board**

Ané Gylholm  
Patrick Berkhouwer  
Matthias Mess  
Jean-Paul Vern

#### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Bredskifte Allé 13  
DK-8210 Aarhus V

#### **Bank**

Danske Bank  
Åboulevarden 69  
DK-8000 Aarhus C

## Management's review

### Financial highlights

DKK'000	2016	2015	2014	2013	2012
Gross profit	12,255	16,310	18,187	13,693	13,417
Operating profit/loss	-528	3,920	5,545	579	769
Profit/loss from financial income and expenses	314	1,132	1,543	-2,218	565
Profit/loss for the year	-174	3,868	5,520	-1,307	991
Total assets	66,475	62,803	52,594	77,829	53,543
Equity	36,645	36,819	32,950	27,430	32,737
Investment in property, plant and equipment	1,375	553	125	837	693
Return on equity	1.0%	11.1%	18.3%	-4.3%	3.1%
Solvency ratio	55.1%	58.6%	62.6%	35.2%	61.1%
Return on assets	-0.8%	6.2%	10.5%	0.7%	1.4%
Average number of full-time employees	30	29	31	32	30

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2016". For terms and definitions, please see the accounting policies.

Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax} \times 100}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex. non-controlling interest at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on assets	$\frac{\text{Operating profit/loss} \times 100}{\text{Total assets}}$



## **Management's review**

### **Operating review**

#### **Principal activities**

The Company sells and delivers digital photo solutions including related services.

#### **Development in activities and financial position**

For the year under review, the Company reported a loss of DKK 174 thousand, total assets of DKK 66,475 thousand and equity of DKK 36,645 thousand. This is below last year's expectations.

#### **Events after the balance sheet date**

No events have occurred after the balance sheet date that may influence the financial statements for 2016.

#### **Outlook**

For 2017, the Company expects to report a profit, which is up on 2016.

#### **Particular risks**

##### ***Operating risks***

In line with previous years, the primary operating risks represent fluctuating economic trends, including fluctuations in exchange rates for the Nordic currencies. Further, fluctuations in energy prices pose a certain risk as this impacts on transport costs and thereby our competitiveness compared to other competitors in the market.

##### ***Financial risks***

###### ***Currency risks***

The Company's revenue is generated on markets using EUR, DKK, SEK and NOK as settlement currencies. Exchange rate risks related to foreign currencies are generally not hedged, as the Company is of the opinion that continuous hedging of short-term receivables is not optimal from an overall risk perspective.

###### ***Credit risks***

No single customer or corporation partners poses any significant risk to the Company. The credit insurance policy ensures that all customers are credit insured and therefore included in the ongoing credit rating undertaken by the Company's insurance company.

## Financial statements 1 January – 31 December

### Income statement

DKK	Note	2016	2015
<b>Gross profit</b>		12,254,568	16,310,499
Staff costs	2	-12,046,954	-11,684,064
Depreciation of property, plant and equipment, amortisation of intangible assets and impairment losses	3, 4	-735,481	-706,735
<b>Operating profit/loss</b>		-527,867	3,919,700
Financial income	5	314,781	1,134,057
Financial expenses		-363	-2,441
<b>Profit/loss before tax</b>		-213,449	5,051,316
Tax on profit/loss for the year		39,224	-1,182,920
<b>Profit/loss for the year</b>		-174,225	3,868,396
<b>Proposed profit appropriation/distribution of loss</b>			
Retained earnings		-174,225	3,868,396
		-174,225	3,868,396

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2016	2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Intangible assets</b>	3		
Software		0	639
		0	639
<b>Property, plant and equipment</b>	4		
Land and buildings		1,707,505	2,082,606
Fixtures and fittings, tools and equipment		1,638,791	621,907
		3,346,296	2,704,513
<b>Investments</b>	6		
Equity investments in group entities		357,953	357,953
		357,953	357,953
<b>Total fixed assets</b>		3,704,249	3,063,105
<b>Current assets</b>			
<b>Inventories</b>			
Consumables		84,745	83,692
		84,745	83,692
<b>Receivables</b>			
Trade receivables		5,257,831	6,377,439
Receivables from group entities		35,803,301	40,577,166
Other receivables		225,193	145,074
Deferred tax asset		992,800	953,576
		42,279,125	48,053,255
<b>Cash at bank and in hand</b>		20,406,545	11,602,495
<b>Total current assets</b>		62,770,415	59,739,442
<b>TOTAL ASSETS</b>		66,474,664	62,802,547

## Financial statements 1 January – 31 December

### Balance sheet

DKK	Note	2016	2015
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		6,000,000	6,000,000
Retained earnings		30,644,627	30,818,852
<b>Total equity</b>		<u>36,644,627</u>	<u>36,818,852</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		7,343,420	4,112,459
Payables to group entities		16,826,888	15,797,841
Other payables		5,659,729	6,073,395
		<u>29,830,037</u>	<u>25,983,695</u>
<b>Total liabilities other than provisions</b>		<u>29,830,037</u>	<u>25,983,695</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>66,474,664</u></u>	<u><u>62,802,547</u></u>

## Financial statements 1 January – 31 December

### Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
<b>Equity at 1 January 2016</b>	6,000,000	30,818,852	36,818,852
Transferred over the profit appropriation/distribution of loss	<u>0</u>	<u>-174,225</u>	<u>-174,225</u>
<b>Equity at 31 December 2016</b>	<u>6,000,000</u>	<u>30,644,627</u>	<u>36,644,627</u>

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies

The annual report of CEWE Nordic ApS for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C.

As from 1 January 2016, the Company has implemented Act. no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, dividends from equity investments in subsidiaries recognised at cost are always recognised in the income statement. In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary. Previously, cost was reduced to the extent that distributed dividend exceeded accumulated earnings after the acquisition date.
- Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.
- The changes have no monetary effect on the income statement, the balance sheet for 2016 or for the comparative figures.

#### Consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

#### Income statement

##### Gross Profit

In the income statement, the items revenue, cost of goods sold and other external costs are aggregated in the caption "Gross profit" in accordance with section 32 of the Danish Financial Statements Act.

##### Revenue

Income from the sale of goods and finished goods is recognised as revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

##### Costs of sales

Cost of sales comprises costs incurred to generate revenue for the year. This item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

##### Other external costs

Other external costs comprise costs for distribution and sales costs, costs for advertising, administrative expenses, costs of premises, bad debts, operating leases, etc.

##### Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on receivables, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

##### Balance sheet

##### Intangible assets

###### Software

Software is measured at cost less accumulated amortisation and impairment losses. Software is amortised on a straight-line basis over the remaining life of the software. Useful life for software are three years.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

###### Property, plant and equipment

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

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	10-30 years
Fixtures and fittings, tools and equipment	3-5 years



## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

Land is not depreciated.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Depreciation is recognised in the income statement as depreciation.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement under other operating income or other operating loss.

#### Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

If impairment is evidenced, assets are written down to the recoverable amount.

#### Equity investments in group entities

Equity investments in group entities are measured at cost. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

#### Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

#### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

## Financial statements 1 January – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Equity

###### Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

##### Corporation tax and deferred tax

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost.

Other liabilities are measured as net realisable value.

## Financial statements 1 January – 31 December

### Notes

#### 2 Staff costs

DKK	2016	2015
Wages and salaries	10,792,043	10,500,107
Pensions	965,995	878,858
Other social security costs	288,916	305,099
	<u>12,046,954</u>	<u>11,684,064</u>
Average number of full-time employees	<u>30</u>	<u>29</u>

#### 3 Intangible assets

DKK	Software
Cost at 1 January	<u>4,507,149</u>
Cost at 31 December 2016	<u>4,507,149</u>
Amortisation and impairment losses at 1 January 2016	<u>-4,506,510</u>
Amortisation	<u>-639</u>
Amortisation and impairment losses at 31 December 2016	<u>-4,507,149</u>
Carrying amount at 31 December 2016	<u>0</u>

#### 4 Property, plant and equipment

DKK	Land and buildings	Fixtures and fittings, tools and equipment
Cost at 1 January 2016	<u>18,794,681</u>	<u>4,929,504</u>
Additions	0	1,375,689
Disposals	0	-168,593
Cost at 31 December 2016	<u>18,794,681</u>	<u>6,136,600</u>
Depreciation and impairment losses at 1 January 2016	<u>-16,712,075</u>	<u>-4,307,597</u>
Depreciation for the year	-375,101	-279,252
Depreciation on disposals	0	89,040
Depreciation and impairment losses at 31 December 2016	<u>-17,087,176</u>	<u>-4,497,809</u>
Carrying amount at 31 December 2016	<u>1,707,505</u>	<u>1,638,791</u>

#### 5 Financial income

DKK	2016	2015
Interest income from group entities	303,458	247,762
Other financial income	0	1,034
Foreign exchange gains	11,323	885,261
	<u>314,781</u>	<u>1,134,057</u>

## Financial statements 1 January – 31 December

### Notes

#### 6 Equity investments in group entities

DKK	2016	2015
Carrying amount at 1 January	<u>357,953</u>	<u>357,953</u>
Carrying amount at 31 December	<u><u>357,953</u></u>	<u><u>357,953</u></u>

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Profit/loss for the year
			DKK	DKK
CEWE-PRINT Nordic A/S	Aarhus	100%	<u>-2,723</u>	<u>1,744</u>
			<u><u>-2,723</u></u>	<u><u>1,744</u></u>

#### 7 Contractual obligations, contingencies, etc.

##### Contingent liabilities

The Danish CEWE entities are jointly and severally liable for tax on the companies' jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. The jointly taxed entities' total net liability to the Danish tax authorities (SKAT) amounted to DKK 0 thousand at 31 December 2016. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividend, etc., may entail an increase in the companies' liability.

A payment guarantee of DKK 164 thousand has been provided to the Norwegian customs authorities for the importation of goods.

The Company has issued a warranty statement for its subsidiary CEWE-PRINT Nordic A/S.

##### Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due as follows:

DKK	2016	2015
Less than 1 year	<u>1,273,015</u>	<u>137,580</u>
Between 1 and 5 years	<u>5,058,291</u>	<u>123,570</u>
More than 5 years	<u>203,112</u>	<u>0</u>
Total operating lease obligations	<u><u>6,534,418</u></u>	<u><u>261,150</u></u>

## Financial statements 1 January – 31 December

### Notes

#### 8 Related parties

CEWE Nordic ApS' related parties comprise the following:

##### Control

CEWE Nordic ApS is part of the consolidated financial statements of CeWe Stiftung & Co. KGaA, Oldenburg, Germany, which is the smallest group in which the Company is included as a subsidiary.

The consolidated financial statements of CeWe Stiftung & Co. KGaA, Oldenburg, Germany can be obtained at [www.cewe.de](http://www.cewe.de).