

Deloitte
Statsautoriseret
Revisionspartnerselskab
CVR-nr. 33963556
Weidekampsgade 6
Postboks 1600
0900 København C

Telefon 36 10 20 30
Telefax 36 10 20 40
www.deloitte.dk

**Blackwood Seven Danmark
A/S**
Livjæggergade 17B, 2.
2100 Copenhagen Ø
Central Business Registration No
35849491

Annual report 2016

The Annual General Meeting adopted the annual report on 31.05.2017

Chairman of the General Meeting

Name: Nils Peter Mortensen

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2016	7
Balance sheet at 31.12.2016	8
Statement of changes in equity for 2016	10
Notes	11
Accounting policies	13

Entity details

Entity

Blackwood Seven Danmark A/S

Livjægergade 17B, 2.

2100 Copenhagen Ø

Central Business Registration No: 35849491

Registered in: København

Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Carl Erik Kjærsgaard, Chairman

Thomas Christian Bertelsen

Henrik Richard Hasselbalch Busch

Executive Board

Thomas Christian Berthelsen

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 Blackwood Seven Danmark A/S for the financial year 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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, 31.05.2017

Executive Board

Thomas Christian Berthelsen

Board of Directors

Carl Erik Kjærsgaard

Thomas Christian Bertelsen

Henrik Richard Hasselbalch
Busch

Chairman

Independent auditor's report

To the shareholders of Blackwood Seven Danmark A/S

Opinion

We have audited the financial statements of Blackwood Seven Danmark A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 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.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

In connection with our audit 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 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.

Independent auditor's report

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, 31.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Bjørn Winkler Jakobsen

State Authorised Public Accountant

Management commentary

Primary activities

Blackwood Seven Danmark A/S is a consulting agency within media. Blackwood Seven Danmark A/S helps advertisers on a strategic, tactical and operational level optimising and implementing their marketing and media campaigns across all media platforms. Blackwood Seven Danmark A/S uses the advanced technologies and modeling frameworks developed by Blackwood Seven A/S.

Development in activities and finances

Financial results are on budget and therefore satisfactory. Blackwood Seven Danmark A/S has, as planned, obtained many new clients during the year, including major accounts as Magasin, Urban Gym and Bolighed.

Events after the balance sheet date

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

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Revenue		149.150.014	130.107.962
Cost of sales		(142.540.134)	(124.581.050)
Other external expenses		(1.577.625)	(1.355.540)
Gross profit/loss		5.032.255	4.171.372
Staff costs	1	(4.474.925)	(4.320.956)
Operating profit/loss		557.330	(149.584)
Other financial income		673	(67)
Other financial expenses		(316.123)	(227.444)
Profit/loss before tax		241.880	(377.095)
Tax on profit/loss for the year	2	(5.000)	0
Profit/loss for the year		236.880	(377.095)
Proposed distribution of profit/loss			
Retained earnings		236.880	(377.095)
		236.880	(377.095)

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Deposits		75.000	75.000
Fixed asset investments		75.000	75.000
Fixed assets		75.000	75.000
Trade receivables		9.285.660	12.431.792
Receivables from group enterprises		0	18.354
Deferred tax		515.000	520.000
Other receivables		85.145	0
Receivables		9.885.805	12.970.146
Cash		11.645.037	3.267.297
Current assets		21.530.842	16.237.443
Assets		21.605.842	16.312.443

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital	3	500.000	500.000
Retained earnings		138.999	(97.881)
Equity		<u>638.999</u>	<u>402.119</u>
Prepayments received from customers		585.116	2.400.000
Trade payables		19.523.114	11.760.946
Payables to group enterprises		193.125	0
Other payables	4	665.488	1.749.378
Current liabilities other than provisions		<u>20.966.843</u>	<u>15.910.324</u>
Liabilities other than provisions		<u>20.966.843</u>	<u>15.910.324</u>
Equity and liabilities		<u>21.605.842</u>	<u>16.312.443</u>
Contingent liabilities	5		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	(97.881)	402.119
Profit/loss for the year	0	236.880	236.880
Equity end of year	500.000	138.999	638.999

Notes

	2016	2015
	DKK	DKK
1. Staff costs		
Wages and salaries	4.455.254	4.309.805
Other social security costs	42.250	58.445
Other staff costs	(22.579)	(47.294)
	4.474.925	4.320.956
Average number of employees	8	9

	2016	2015
	DKK	DKK
2. Tax on profit/loss for the year		
Change in deferred tax for the year	5.000	0
	5.000	0

	Number	Par value	Nominal
		DKK	value
			DKK
3. Contributed capital			
Shares	500.000	1	500.000
	500.000		500.000

	2016	2015
	DKK	DKK
4. Other payables		
VAT and duties	0	1.037.924
Wages and salaries, personal income taxes, social security costs, etc payable	527.421	613.575
Other costs payable	138.067	97.879
	665.488	1.749.378

	2016	2015
	DKK	DKK
5. Contingent liabilities		
Recourse and non-recourse guarantee commitments	10.000.000	7.500.000
Contingent liabilities in total	10.000.000	7.500.000

Notes

The Company participates in a Danish joint taxation arrangement in which Blackwood Seven A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2014 for income taxes etc for the jointly taxed companies and from 13 May 2014 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

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 with addition of certain provisions for reporting class C.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

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

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

Accounting policies

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 write-downs 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

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income and net capital gain on transactions in foreign currencies etc.

Other financial expenses

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

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

Receivables

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

Deferred tax

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

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

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.

Accounting policies

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.