Studio 9 Denmark A/S

Annual Report
2016

CVR No. 36018712

Annual General Meeting held
the 27 March 2017

Mogens Madsen
Chairman

Contents

Management's Statement

Today, Management has considered and adopted the Annual Report of Studio 9 Denmark A/S for the financial year 1 January 2016 - 31 December 2016.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

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

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Horsens, 27 March 2017

Executive Board

Per Lykke

Supervisory Board

Troels Holch Povlsen Chairman	Adam Christian Dantzer	Ho Kin Chung

Independent Auditor's Report

To the shareholders of Studio 9 Denmark A/S

Opinion
We have audited the annual accounts of Studio 9 Denmark A/S for the financial year 1 January 2016 - 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts 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 2016 - 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the annual accounts”.
We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibility for the annual accounts
The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company’s ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the annual accounts
Our objectives are to obtain reasonable assurance about whether the annual accounts a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.

Independent Auditor's Report

- Conclude on the appropriateness of the management's preparation of the annual accounts being based the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review
The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Brande, 27 March 2017

Partner Revision
Statsautoriseret Revisionsaktieselskab
CVR No. 15807776

Claus Lykke Jensen
State Authorised Public Accountant

Company details

Company	Studio 9 Denmark A/S Havnen 1 8700 Horsens CVR No.: 36018712 Date of formation: 24 June 2014 Registered office: Horsens Financial year: 1 January 2016 - 31 December 2016
Supervisory Board	Troels Holch Povlsen, Chairman Adam Christian Dantzer Ho Kin Chung
Executive Board	Per Lykke
Auditors	Partner Revision Statsautoriseret Revisionsaktieselskab Torvegade 22 7330 Brande CVR-no.: 15807776

Management's Review

The Company's principal activities
The Company's principal activities consist in manufacturing and trading and other related business.

Development in activities and financial matters
The Company's Income Statement of the financial year 1. januar 2016 - 31. december 2016 shows a result of DKK 54.841 and the Balance Sheet at 31. december 2016 a balance sheet total of DKK 3.608.911 and an equity of DKK 2.227.177.

The financial year 1. januar 2016 - 31. december 2016 is the company's third financial year and the management consider the result satisfactory.

Post financial year events
After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

Accounting Policies

Reporting Class
The Annual Report of Studio 9 Denmark A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Reporting currency
The Annual Report is presented in Danish kroner.

Translation policies
Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement
Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Revenue
Income from delivery of services is recognised as revenue as the service is delivered.

Cost of sales
Cost of sales comprise purchase of goods and services for resale.

Other external expenses
Other external expenses comprise expenses regarding sale, administration, premises and loss on debtors.

Staff expenses
Staff expenses comprise wages and salaries, pensions and social security costs.

Amortisation and impairment of tangible and intangible assets
Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

Accounting Policies

	Useful life	Residual value
Goodwill	4 years	0%
Other fixtures and fittings, tools and equipment	3 years	0%
Leasehold improvements	3 years	0%

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under amortisation.

Financial income and expenses
Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year
Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance Sheet

Intangible assets
Intangible assets (goodwill) are measured at cost less accumulated amortisation and impairment losses.

Goodwill is related to the purchase of an existing division with customers and expertice of employees. The period of amortisation is based on the management's experience on the pay back period of such investment.

Tangible assets
Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Receivables
Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Accrued expense, assets
Accrued expense recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Deferred tax
Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Accounting Policies

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities
Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Income Statement

	Note	2016 kr.	2015 kr.
Gross profit		**5.896.215**	**4.538.305**
Staff expenses	1	-5.332.439	-3.935.989
Depreciation of property, plant and equipment and intangible assets		-257.887	-307.980
Profit from ordinary operating activities		**305.889**	**294.336**
Finance income	2	0	820.338
Finance expences	3	-123.873	-9.846
Profit from ordinary activities before tax		**182.016**	**1.104.828**
Tax expense on ordinary activities	4	-127.175	-277.086
Profit		**54.841**	**827.742**

Proposed appropriation of net profit		
Retained earnings	54.841	827.742
	54.841	**827.742**

Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
Assets			
Goodwill	5	494.557	741.836
Intangible assets		**494.557**	**741.836**
Fixtures, fittings, tools and equipment	6	16.795	27.403
Leasehold improvements	7	0	0
Property, plant and equipment		**16.795**	**27.403**
Fixed assets		**511.352**	**769.239**
Short-term trade receivables		772.928	936.492
Short-term receivables from group enterprises		0	2.565.006
Short-term tax receivables		28.148	0
Other short-term receivables		273.376	281.047
Deferred income		59.790	46.631
Current deferred tax		54.298	78.753
Receivables		**1.188.540**	**3.907.929**
Cash and cash equivalents		**1.909.019**	**7.100**
Current assets		**3.097.559**	**3.915.029**
Assets		**3.608.911**	**4.684.268**

Balance Sheet as of 31. December

	Note	2016 kr.	2015 kr.
Liabilities and equity			
Contributed capital	8	1.000.000	1.000.000
Retained earnings	9	1.227.177	1.172.336
Equity		**2.227.177**	**2.172.336**
Bankloan		0	1.334.881
Trade payables		325.422	211.915
Tax payables		0	235.870
Other payables		1.056.312	729.266
Short-term liabilities other than provisions		**1.381.734**	**2.511.932**
Liabilities other than provisions within the business		**1.381.734**	**2.511.932**
Liabilities and equity		**3.608.911**	**4.684.268**

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Notes

	2016 kr.	2015 kr.

1. Staff expenses

Wages and salaries	4.756.586	3.490.616
Post-employement benefit expense	348.144	261.603
Social security contributions	65.444	36.710
Other employee expense	162.265	147.060
	5.332.439	**3.935.989**
Average number of employees	11	9

2. Finance income

Other finance income	0	820.338
	0	**820.338**

3. Finance expenses

Other finance expenses	123.873	9.846
	123.873	**9.846**

4. Tax expense

Tax on taxable income	27.852	353.370
Adjustment of deferred tax	24.455	-76.284
Payment of foreign tax	74.868	0
	127.175	**277.086**

Notes

	2016 kr.	2015 kr.

5. Goodwill

	2016 kr.	2015 kr.
Cost at 1 January	989.115	0
Addition during the year	0	989.115
Cost at 31 December	**989.115**	**989.115**
Depreciation and amortisation at 1 January	-247.279	0
Amortisation for the year	-247.279	-247.279
Impairment losses and amortisation at 31 December	**-494.558**	**-247.279**
Carrying amount at 31 December	**494.557**	**741.836**

6. Fixtures, fittings, tools and equipment

	2016 kr.	2015 kr.
Cost at 1 January	31.827	0
Addition during the year, incl. improvements	0	31.827
Cost at 31 December	**31.827**	**31.827**
Depreciation and amortisation at 1 January	-4.424	0
Amortisation for the year	-10.608	-4.424
Impairment losses and amortisation at 31 December	**-15.032**	**-4.424**
Carrying amount at 31 December	**16.795**	**27.403**

7. Leasehold improvements

	2016 kr.	2015 kr.
Cost at 1 January	84.373	84.373
Cost at 31 December	**84.373**	**84.373**
Depreciation and amortisation at 1 January	-84.373	-28.096
Amortisation for the year	0	-56.277
Impairment losses and amortisation at 31 December	**-84.373**	**-84.373**
Carrying amount at 31 December	**0**	**0**

Notes

	2016 kr.	2015 kr.

8. Contributed capital

	2016 kr.	2015 kr.
Balance at 1 January	1.000.000	1.000.000
Balance at 31 December	**1.000.000**	**1.000.000**

The contributed capital consists of 1,000 shares of DKK 1,000 and no shares have special rights.

The share capital has remained unchanged for the last 3 years.

9. Retained earnings

	2016 kr.	2015 kr.
Balance at 1 January	1.172.336	344.594
Additions during the year	54.841	827.742
Balance at 31 December	**1.227.177**	**1.172.336**

10. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

11. Collaterals and securities

The company has entered into a lease agreement for office facilities. The annual rent is 372 t. DKK. The lease agreement can be terminated with six months notice.

No other securities or mortgages exist at the balance sheet date.