

**Karnov Group Holdco DK ApS**  
Sankt Petri Passage 5, 1165 København K

**CVR 36 96 61 14**

**Annual report 2018**

The Annual General Meeting adopted the annual report on 28 May 2019



---

**Flemming Breinholt**  
**Chairman of the General Meeting**

## **Contents**

Management Statement	3
Independent Auditors' Report	4
Company details	6
Management's review	7
Income statement 1 January - 31 December	9
Balance sheet 31 December	10
Cash flow statement	11
Statement of changes in equity	12
Notes	13

## Management's Statement

The Executive Board have today considered and adopted the Annual Report of Karnov Group Holdco DK ApS for the financial year 1 January - 31 December 2018.

The Annual Report is prepared in accordance with International Financial Reporting Standards as adopted by the EU. Moreover, the Annual Report is prepared in accordance with additional Danish disclosure requirements. The Management report have been prepared in accordance with Danish disclosure requirements.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2018 of the Company and of the results of the Company operations and cash flows for 2018.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Company, of the results for the year and of the financial position of the Company.

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

Copenhagen, 28 May 2019

### Executive Board



Flemming Breinholt



Dora Brink Clausen

Vivek Kumar

## **Independent Auditor's Report**

To the Shareholders of Karnov Group Holdco DK ApS

### **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2018, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2018 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of Karnov Group Holdco DK ApS for the financial year 1 January - 31 December 2018, which comprise income statement and statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

### **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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Statement on Management's Review**

Management is responsible for Management's Review.

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

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

### **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 International Financial Reporting Standards as adopted by the EU and further requirements in 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 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.

### **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 judgment and maintain professional skepticism throughout the audit. We also:

- 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 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.

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.

Copenhagen, 28 May 2019  
**PricewaterhouseCoopers**  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31



Steffen Kai Pedersen  
State Authorised Public Accountant  
mne34357

## Company details

<b>Company</b>	Karnov Group Holdco DK ApS Sankt Petri Passage 5 1165 Copenhagen K  Municipality of registered office: Copenhagen
<b>Company type</b>	The company is a Holding Company
<b>Executive board</b>	Flemming Breinholt Dora Brink Clausen Vivek Kumar
<b>Auditors</b>	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup
<b>Consolidated financial statements</b>	The company is a part of the consolidated financial statements for Karnov Group AB, Stockholm, Sweden. Therefore no consolidated financial statements has been prepared for Karnov Group Holdco DK ApS in accordance with § 112 in the Danish financial statement act. The consolidated financial statements of Karnov group can be downloaded from <a href="http://www.karnovgroup.com">www.karnovgroup.com</a> .

## Management's review

### Financial highlights

	<u>2018</u> DKK'000	<u>2017</u> DKK'000	<u>2016</u> DKK'000	<u>2015</u> DKK'000
<b>Income statement</b>				
Income from subsidiaries	33.500	106.000	40.000	0
Operating profit	32.265	105.462	39.838	(144)
Net financial items	(2.282)	(13.662)	(25.399)	(5.768)
Profit/ loss for the year from continuing operations	30.349	93.472	16.670	(5.888)
<b>Balance sheet</b>				
Total assets	973.101	976.144	911.421	896.176
Equity	939.215	908.866	406.395	389.725
<b>Ratios</b>				
Return on capital	3,3%	10,8%	4,4%	0,0%
Equity ratio	96,5%	93,1%	44,6%	43,5%

### Definitions of performance highlights

Return on capital  
Equity ratio

Operating profit divided by total assets  
Equity divided by total equity and liabilities

## **Management's review**

### **Annual report**

During 2018 the company has acquired 40% of the shares in Bella Intelligence ApS for the amount of 6.195 KDKK.

The company has furthermore received dividend amounted to 33,5 MDKK.

### **Company business**

The company runs information and communication business through subsidiaries.

### **Environment**

The company has no production, so the company have no substantial economic risk.

### **Development activities**

The company has no development activities in 2018.

### **Result for the annual report**

The profit of the year is as expected.

### **Outlook for 2019**

The expectations for 2019 is a profit for the year align with 2018.



## Income statement for 1 January - 31 December

	Note	2018 DKK'000	2017 DKK'000
Income from subsidiaries		33.500	106.000
<b>Total Income</b>		<u>33.500</u>	<u>106.000</u>
Other operating expenses		(1.235)	(538)
<b>Operating profit</b>		<u>32.265</u>	<u>105.462</u>
Financial income	3	132	152
Financial expenses	4	(2.414)	(13.813)
<b>Net financial items</b>		<u>(2.282)</u>	<u>(13.662)</u>
<b>Profit/ loss before income tax</b>		<b>29.983</b>	<b>91.801</b>
Income tax expense	5	366	1.671
<b>Profit/ loss for the year from continuing operations</b>		<u>30.349</u>	<u>93.472</u>

## Statement of comprehensive income 1 January - 31 December

	2018 DKK'000	2017 DKK'000
Result for the year	30.349	93.472
<b>Total comprehensive income for the year</b>	<u>30.349</u>	<u>93.472</u>

## Balance sheet 31 December

	Note	2018	2017
		DKK'000	DKK'000
<b>ASSETS</b>			
Investment in Group enterprises	8	958.507	958.507
Investment in associated companies	9	6.195	0
Receivables from Group enterprises		1.702	3.400
<b>Non-current assets</b>		<b>966.404</b>	<b>961.907</b>
Receivables from Group enterprises		1.887	9.454
Income tax receivables		4.763	4.771
Cash and cash equivalents		47	12
<b>Current assets</b>		<b>6.697</b>	<b>14.237</b>
<b>Total assets</b>		<b>973.101</b>	<b>976.144</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	6	100	100
Retained earnings		939.115	908.766
<b>Equity</b>		<b>939.215</b>	<b>908.866</b>
Borrowings from credit institutions		7.627	36.677
Borrowings from parent company		5.465	5.097
<b>Non-current liabilities</b>		<b>13.092</b>	<b>41.774</b>
Other liabilities		20.794	25.503
<b>Current liabilities</b>		<b>20.794</b>	<b>25.503</b>
<b>Total liabilities</b>		<b>33.886</b>	<b>67.277</b>
<b>Total equity and liabilities</b>		<b>973.101</b>	<b>976.144</b>

## Statement of Cash Flows

1 January - 31 December

<u>Note</u>	<u>2018</u>	<u>2017</u>
	DKK'000	DKK'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating profit	32.265	105.462
Adjustments:		
Non-cash items		
Effect of changes in working capital:		
Increase/decrease in inventories		
Increase/decrease in receivables		
Increase/decrease in trade payables and other payables	1.289	(4.576)
Increase/decrease in intercompany receivables		
Increase/decrease in intercompany payables	7.567	
Interest paid	(2.281)	(13.075)
Income tax paid	374	(3.303)
<b>Cash flow from operating activities</b>	<b><u>39.214</u></b>	<b><u>84.508</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of participations in associated companies	(6.195)	
Acquisition of subsidiaries	(6.000)	(37.891)
Proceeds from investment in group companies	1.698	
Increase/(decrease) in deposits and other assets		
Acquisition of intangible assets		
Acquisition and divestments of tangible assets		
<b>Cash flow from investing activities</b>	<b><u>(10.497)</u></b>	<b><u>(37.891)</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase/decrease in short term borrowings	(29.050)	36.677
Principal payments on long-term debt	-	(500.000)
Increase/decrease in long-term debt	-	435.000
Dividends paid		(26.000)
Change in intercompany	368	8.068
<b>Cash flow from financing activities</b>	<b><u>(28.682)</u></b>	<b><u>(46.255)</u></b>
<b>Cash flow for the period</b>	<b><u>35</u></b>	<b><u>362</u></b>
Cash and cash equivalents at the beginning of the period	12	235
Exchange-rate differences in cash and cash equivalents		
<b>Cash and cash equivalents at the end of the period</b>	<b><u>47</u></b>	<b><u>598</u></b>

## Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK'000	DKK'000	DKK'000
<b>Balance as at 1 January 2018</b>	<b>100</b>	<b>908.766</b>	<b>908.866</b>
Profit/ loss for the year		30.349	30.349
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>30.349</b>	<b>30.349</b>
<b>Balance as at 31 December 2018</b>	<b>100</b>	<b>939.115</b>	<b>939.215</b>
<b>Balance as at 1 January 2017</b>	<b>100</b>	<b>406.294</b>	<b>406.394</b>
Profit/ loss for the year		93.472	93.472
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>93.472</b>	<b>93.472</b>
Dividend pay out		(26.000)	(26.000)
Group Contribution		435.000	435.000
<b>Total transactions with owners, recognised directly in equity</b>	<b>-</b>	<b>409.000</b>	<b>409.000</b>
<b>Balance as at 31 December 2017</b>	<b>100</b>	<b>908.766</b>	<b>908.866</b>

## Notes

- 1 Accounting policies
- 2 Significant accounting estimates and assessments
- 3 Financial Income
- 4 Financial expenses
- 5 Income tax expenses
- 6 Share capital
- 7 Financial instruments by category
- 8 Investment in Group enterprises
- 9 Investment in associated companies
- 10 Off-balance sheet items
- 11 Related parties
- 12 Events after the reporting period
- 13 Financial risk
- 14 Pledged assets and contingent liabilities
- 15 Reconciliation of liabilities arising from financing activities

## Notes

### 1 Accounting policies

#### **Basis of preparation**

The financial statements of Karnov Group Holdco DK ApS have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and additional Danish disclosure requirements for annual reports as stated in the IFRS Executive Order pursuant to the Danish Financial Statement act for midsize entities in reporting class C.

The financial statements are presented in Danish kroner (DKK). Comparative figures from previous period are presented in brackets.

#### **Changes in accounting policies**

Karnov Group Holdco DK ApS has implemented the standards and amendments that are effective for the financial year of 2018. The new standards and amendments did not effect recognition and measurement for 2018, nor are they expected to have any significant future impact.

#### **Foreign currency**

##### *Functional currency*

The functional currency is the currency used in the primary financial environment in which the entity operates. The functional currency for King Holdco DK ApS is DKK.

##### *Foreign currency translation*

On initial recognition, foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the transaction dates.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement within 'finance income or costs'.

#### **Revenue**

Dividend income is recognised when the right to receive payment is established.

#### **Financial income**

Financial income comprise interest income, other finance income and exchange rate gains on translation of foreign currency transactions.

#### **Financial expenses**

Financial expenses comprise interest expenses including interest from finance lease agreements and exchange rate losses on translation of foreign currency transactions. Furthermore amortization of financial liabilities are recognised in financial expenses.

#### **Investments in Group enterprises**

Investments in Group enterprises are recognised and measured to cost. See note 2 for further information.

## Notes

### **Investments in associated companies**

Investments in associated companies include all entities over which the Company has significant influence but not control or joint control. This is generally the case where the Company holds between 20 percent and 50 percent of the voting rights. Investments in associated companies are accounted for using the equity method of accounting, after initial recognition at cost. Under the equity method of accounting, investments are initially recognised at cost and adjusted thereafter to recognise the Company's share of the postacquisition profits or losses of the acquiree in profit or loss.

### **Financial assets**

The Company classifies its investments in the following categories: at fair value through profit or loss, loans and receivables, and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. At current, the Company only has loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

### **Deferred tax liabilities**

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

### **Trade payables and other liabilities**

Trade payables and other liabilities are recognised initially at fair value and subsequently amortised cost. The difference between cost and the nominal value is recognised in the statement of comprehensive income as an interest expense over the loan period using the effective interest method.

### **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

### **Cash flows statement**

The cash flow statement is prepared using the indirect method and is based on profit for the year. The cash flow statement shows cash flows for the year from operating, investing and financing.

Cash flows from operating activities comprise profit adjusted for non cash transactions, interest received, interest paid, tax paid and change in working capital.

Cash flows from investing activities comprise payment in connection with the purchase and sale of intangible assets and property, plant and equipment.

## Notes

Cash flows from financing activities comprise changes in the size or composition of the share capital, dividend payments to owners, raising of loans and repayments on loans and sale and purchase of other financial assets.

### **New accounting regulations**

#### *New and amended standards adopted by the Company*

The Company has adopted all relevant new, amended and revised accounting standards effective for the accounting period beginning from 1 January 2018. None of these new, updated and amended standards have any significant impact on the financial statements of the Company for 2018.

#### *New standards and interpretations not yet adopted*

##### IFRS 16 "Leases"

IFRS 16 Leases is effective from January 1, 2019. The standard has no effect on 2018 financial disclosures but for future periods it will change the recognition of operating leases.

The Company currently has no leasing agreements and therefore no impact can be recognized.

## **2 Significant accounting estimates and assessments**

The preparation of the financial statements involves the use of informed accounting estimates. These estimates are made by King Holdco's Management. The estimates are based on professional judgement, historical data and other factors available to Management. By their nature, estimates include uncertainty, and actual results may therefore be different from the estimates at the reporting date. Estimates are continuously evaluated, and the effects of any changes are recognized in the relevant period.

### **Investment in Group enterprises**

The management annually tests whether any individually investment in a group enterprise have suffered any impairment. Every individual investment in a Group enterprise is considered a CGU. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the application of estimates.

The total carrying amount of investments in Group Enterprises at 31 December 2018 are presented in Note 8.

Estimated cash flows for the first year are based on most recent budgets approved by the Board of Directors. Estimated cash flows for years 2-10 are based on the Company's business plan for the period approved by the Board of Directors. After the budget period, estimated growth in the terminal period are 2,5% (2,5%) corresponding to the expected market growth.

The assessments behind the growth rates applied for the discounted cash flow have been conducted individually for each CGU and are based partly on historical rates and partly on expectations to future growth as a result of the implementation of the strategy for Karnov Group Denmark A/S.

Sensitivity calculations have been made and within a reasonable span of deviation from the applied assessments, a write-down on investment in a Group enterprises is not foreseeable in the near future.

There are no areas implying a high degree of assessment or complexity or areas in which assumptions are material to the financial statement.



## Notes

<b>3 Financial Income</b>	<u>2018</u>	<u>2017</u>
	DKK'000	DKK'000
Financial Income, intercompany	133	152
	<u>133</u>	<u>152</u>
<b>4 Financial expenses</b>		
Fair value loss on financial instruments	-	(38)
Financial expenses, borrowings	(2.046)	(12.714)
Financial expenses, intercompany	(368)	(475)
	<u>(2.414)</u>	<u>(13.227)</u>
<b>5 Income tax expenses</b>		
Tax on profit/ loss for the year can be specified as follows:		
Current tax on profit/ loss for the year	(366)	(1.671)
	<u>(366)</u>	<u>(1.671)</u>
Profit/ loss before income tax:	<u>29.983</u>	<u>91.801</u>
Calculated 22% tax on profit/ loss before tax	6.596	20.196
Non-taxable income	(7.370)	(23.320)
Other adjustments	408	1.453
Tax charge	<u>(366)</u>	<u>(1.671)</u>
No deferred income tax		
<b>6 Share capital</b>	<u>Number of</u>	<u>Shares of</u>
	shares	DKK
Karnov Group Holdco DK ApS	100.000	1
	<u>100.000</u>	

The company was established 16 July 2015.  
All shares issued by the company were fully paid.

## Notes

### 7 Financial instruments by category

	Carrying amount		Fair value	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
<b>Financial assets</b>				
<b>Financial assets at amortised cost</b>				
Cash and cash equivalents	47	12	47	12
<b>Total financial assets</b>	<b>47</b>	<b>12</b>	<b>47</b>	<b>12</b>
<b>Financial liabilities</b>				
<b>Financial liabilities at fair value through profit or loss (FVPL)</b>				
Contingent considerations	20.752	25.458	20.752	25.458
<b>Financial liabilities at amortised cost</b>				
Borrowings from credit institutions	7.627	36.677	7.627	36.677
Borrowings from parent company	5.465	5.097	5.465	5.097
<b>Total financial liabilities</b>	<b>33.844</b>	<b>67.232</b>	<b>33.844</b>	<b>67.232</b>

#### Cash and cash equivalents

Cash and cash equivalents are unsecured with a short credit period and are therefore considered to have a fair value equal to the carrying amount. They are classified at level 2 in the fair value hierarchy.

#### Contingent consideration

The fair value of the contingent considerations is estimated by calculating the present value of the future expected cash flows. The estimates are based on discount rates between 7 percent and 10 percent. They are classified at level 3 in the fair value hierarchy.

#### Current borrowings from credit institutions

The fair value of current borrowings is considered to be the same as the carrying amount since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. They are classified at level 2 in the fair value hierarchy.

#### Non current borrowings from parent company

The fair value of non-current borrowings from related parties is based on discounted cash flows using a current borrowing rate. They are classified at level 2 in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

## Notes

### 8 Investment in Group enterprises

	<u>2018</u>	<u>2017</u>
	DKK'000	DKK'000
Cost at 1 January	958.507	895.563
Additions		62.944
Cost at 31 December	<u>958.507</u>	<u>958.507</u>

Investment in Group enterprises as follows

	<u>Place of business</u>	<u>% of owner- ship interest</u>	<u>Profit/ loss</u>	<u>Equity</u>
			DKK'000	DKK'000
Karnov Group Denmark A/S	Copenhagen	100%	34.733	103.364
Forlaget Andersen ApS	Copenhagen	100%	4.544	3.215
CBM ApS	Copenhagen	75%	16	80

### 9 Investment in associated companies

	<u>2018</u>	<u>2017</u>
	DKK'000	DKK'000
Cost at 1 January	-	-
Additions relating to acquisitions	6.195	-
Cost at 31 December	<u>6.195</u>	<u>-</u>

#### Associated entities

Bella Intelligence Aps

40%

Investments in associates are accounted for using the equity method, after initial recognition at cost.

### 10 Off-balance sheet items

	<u>2018</u>	<u>2017</u>
	DKK'000	DKK'000
Shares in subsidiary Karnov Group Denmark A/S is pledged along with intercompany receivables and deposits at banks.	<u>958.507</u>	<u>895.563</u>

## Notes

### 11 Related parties

The group is controlled by Five Arrows Principal Investments II Holding Sàrl (incorporated in Luxembourg), which controls 46% of the company's shares.

	Parent companies		Other group companies	
	2018	2017	2018	2017
Purchase of goods and services	-	-	1.004	543
Received interest	-	-	133	152
Paid interest	368	475	-	-
Financial assets	-	-	3.589	12.854
Financial liabilities	5.465	5.097	-	-

### 12 Events after the reporting period

No events have occurred after the reporting date of importance to the financial statements.

### 13 Financial risk

#### Credit risk

Credit risk arises from cash and cash equivalents, as well as credit exposures from loans to other companies in the group. The credit risk concerning cash equivalents are based on the group risk policies.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

#### Liquidity risk

The company generates sufficient positive cash flows to service its liabilities and planned development. Surplus cash is declared as dividend. Capital management is carried out to ensure low risk. Management monitors funding and liquidity and ensures the availability of required liquidity through cash management and committed facilities.

#### Market risks

##### Foreign exchange risk:

The company has no assets or liabilities in foreign currency as a result of this the company is not exposed to foreign exchange rate risks.

##### Interest rate risk

The company's payables and receivables to the parent company and other group companies are subject to a variable interest rate which is currently 7.0% (7.0%).

Bank deposits are subject to variable interest rates which are currently 0.0% (0,0%).

The carrying amounts of recognized financial assets or liabilities will not change significantly subject to changes in interest rate levels.

## Notes

### 14 Pledged assets and contingent liabilities

Karnov Group Holdco DK ApS are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to TDKK 11. (TDKK 6.351). Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

All assets in the company is pledged to Nordea as part of the groups loan agreement. For further information please see annual report for Karnov group AB.

### 15 Reconciliation of liabilities arising from financing activities

TDKK	2017	Cash Flows	Non-cash changes			2018
			FX	Accrued interest	Other	
Long-term borrowings	41.774	-28.682	0	0	0	13.092
<b>Total liabilities</b>	<b>41.774</b>	<b>-28.682</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13.092</b>

