

Young & Partners Scandinavia A/S

Herstedvang 14, 2620 Albertslund

Company reg. no. 38 27 39 73

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 27 May 2020.

Stephane Manos
Chairman of the meeting

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Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Young & Partners Scandinavia A/S for the financial year 1 January to 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Albertslund, 27 May 2020

Managing Director

David Felicissimo

Board of directors

Stephane Manos

David Felicissimo

Jesper Baagøe-Kronborg

Independent auditor's report

To the shareholders of Young & Partners Scandinavia A/S

Opinion

We have audited the annual accounts of Young & Partners Scandinavia A/S for the financial year 1 January to 31 December 2019, 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 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 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 responsibilities 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 as 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.

Independent auditor's report

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.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on 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.

Independent auditor's report

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.

Copenhagen, 27 May 2020

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36

Claus Koskelin

State Authorised Public Accountant
mne30140

Company data

The company

Young & Partners Scandinavia A/S
Herstedvang 14
2620 Albertslund

Company reg. no. 38 27 39 73
Financial year: 1 January - 31 December

Board of directors

Stephane Manos
David Felicissimo
Jesper Baagøe-Kronborg

Managing Director

David Felicissimo

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

Young & Partners NV

Management's review

The principal activities of the company

The company's purpose is trading with IT and SW as well as hereby connected services.

Development in activities and financial matters

The gross loss for the year is DKK -25.125 against DKK 3.617.309 last year. The results from ordinary activities after tax are DKK -3.592.188 against DKK 1.241.232 last year.

The expected development

The company's management had an expectation of a result on the same level as the financial year of 2019. However, due to the current situation with COVID-19, the company's management cannot comment on the economic consequences and expected results regarding the financial year of 2020 at this time.

Accounting policies used

The annual report for Young & Partners Scandinavia A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Income statement

Gross loss

The gross loss comprises the net turnover, work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover comprises the value of services provided during the year, including outlay for customers less VAT and price reductions directly associated with the sale.

The turnover is recognised in the profit and loss account when the sale has been completed. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- There is a binding sales agreement
- The sales price has been determined
- The payment has been received, or it can with reasonable assurance be expected to be received.

Hereby, it is ensured that recognition does not take place until the total income and costs as well as the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the economic benefits, including payments, will be received by the enterprise.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Accounting policies used

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Intangible fixed assets

Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. As it is not possible to determine a reliable estimate of the useful life, the amortisation period is set at 10 years.

Decoration of rented premises

Decoration of rented premises are measured at cost with deduction of accrued depreciation. Depreciation takes place on a straight-line basis over the estimated useful life of the asset, which is set at 5 years.

Financial fixed assets

Other securities and equity investments

Securities and equity investments recognised under fixed assets comprise listed bonds and shares which are measured at fair value on the balance sheet date. Listed securities are measured at market price.

Other unlisted securities are measured at cost. Writedown takes place to the recoverable amount, if this value is lower than the book value.

Deposits

Deposits are measured at amortised cost and represent rent deposits, etc.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Work in progress for the account of others

Contract work in progress is measured at the selling price of the work performed, however with deduction of invoicing on account and expected losses. Contract work in progress is characterised by the manufactured goods featuring a high level of individualisation in the design. Furthermore, it is a requirement that before work is commenced, a binding contract is to be entered into, implying penalty or damages in case of subsequent cancellation.

The selling price is measured on the basis of the stage of completion on the balance sheet date and the total expected income from the individual contracts. The stage of completion is determined on the basis of an evaluation of the work performed, usually determined as the ratio of the costs incurred to the total expected cost of the contract in question.

Accounting policies used

When it is probable that the total contract costs will exceed the total contract revenue, the expected contract loss is immediately recognised as costs and provisions.

If the results of a contract can not be estimated reliably, the selling price is only recognised on a cost basis, however, to the extent that it is probable that the costs will be recovered.

Contracts for which the selling price of the work performed exceeds invoicing on account and expected losses are recognised as trade debtors. Contracts for which invoicing on account and expected losses exceed the selling price are recognised as liabilities.

Prepayments from customers are recognised under liabilities.

Costs in connection with sales work and the achievement of contracts are recognised in the profit and loss account when incurred.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Liabilities

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

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross loss	-25.125	3.617.309
2 Staff costs	-3.178.750	-1.958.425
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-263.929	-264.155
Operating profit	-3.467.804	1.394.729
3 Other financial costs	-124.384	-153.497
Results before tax	-3.592.188	1.241.232
Tax on ordinary results	0	0
Results for the year	-3.592.188	1.241.232
 Proposed distribution of the results:		
Allocated to results brought forward	0	1.241.232
Allocated from results brought forward	-3.592.188	0
Distribution in total	-3.592.188	1.241.232

Balance sheet 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Assets		
Fixed assets		
Goodwill	1.790.560	2.047.360
Intangible fixed assets in total	<u>1.790.560</u>	<u>2.047.360</u>
Decoration rented premises	0	7.129
Tangible fixed assets in total	<u>0</u>	<u>7.129</u>
Deposits	34.259	41.327
Financial fixed assets in total	<u>34.259</u>	<u>41.327</u>
Fixed assets in total	<u>1.824.819</u>	<u>2.095.816</u>
Current assets		
Trade debtors	2.011.972	4.265.403
4 Work in progress for the account of others	23.704	376.919
Other debtors	239.075	247.388
Accrued income and deferred expenses	91.759	104.939
Debtors in total	<u>2.366.510</u>	<u>4.994.649</u>
Available funds	252.329	44.751
Current assets in total	<u>2.618.839</u>	<u>5.039.400</u>
Assets in total	<u>4.443.658</u>	<u>7.135.216</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
	Equity		
5	Contributed capital	500.000	500.000
6	Results brought forward	-5.436.339	-1.844.151
	Equity in total	-4.936.339	-1.344.151
	Liabilities		
7	Other debts	70.518	0
	Long-term liabilities in total	70.518	0
	Trade creditors	610.473	1.901.140
	Debt to group enterprises	6.108.661	4.189.484
	Other debts	1.389.063	1.326.740
	Accrued expenses and deferred income	1.201.282	1.062.003
	Short-term liabilities in total	9.309.479	8.479.367
	Liabilities in total	9.379.997	8.479.367
	Equity and liabilities in total	4.443.658	7.135.216

1 Financial situation**8 Contingencies**

Notes

All amounts in DKK.

1. Financial situation

The Belgian company Young & Partners NV has issued a statement of support to cover all of the company's obligations for 2020. As a result, the financial statements have been prepared on the basis of continued operations.

	<u>2019</u>	<u>2018</u>
2. Staff costs		
Salaries and wages	2.883.491	1.773.472
Pension costs	260.612	165.376
Other costs for social security	16.189	9.562
Other staff costs	<u>18.458</u>	<u>10.015</u>
	<u>3.178.750</u>	<u>1.958.425</u>
Average number of employees	<u>5</u>	<u>3</u>
3. Other financial costs		
Other financial costs	<u>124.384</u>	<u>153.497</u>
	<u>124.384</u>	<u>153.497</u>

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
4. Work in progress for the account of others		
Sales value of the production of the period	<u>23.704</u>	<u>376.919</u>
Work in progress for the account of others, net	<u>23.704</u>	<u>376.919</u>
5. Contributed capital		
Contributed capital 1 January 2019	<u>500.000</u>	<u>500.000</u>
	<u>500.000</u>	<u>500.000</u>
6. Results brought forward		
Results brought forward 1 January 2019	-1.844.151	-3.085.383
Profit or loss for the year brought forward	<u>-3.592.188</u>	<u>1.241.232</u>
	<u>-5.436.339</u>	<u>-1.844.151</u>
7. Other debts		
Holiday pay obligation, salaried staff	<u>70.518</u>	<u>0</u>
	<u>70.518</u>	<u>0</u>
8. Contingencies		
Contingent liabilities		
The company has entered into a residential lease agreement, which can be canceled with 3 months of notice. The monthly accounts payable is DKK 10,753 corresponding to a total contingent liability of DKK 32,259.		