

# **KNL Networks ApS**

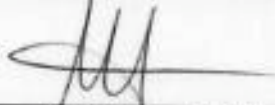
**CVR-no. 39 28 90 16**

**Strandvejen 60  
2900 Hellerup**

## **Annual Report 2018**

**(Financial year 29 January 2018 - 31 December 2018)**

The Annual Report is presented and  
adopted at the Annual General Meeting of  
shareholders on the 31 January 2019



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**Maria Elina Alahuhta**  
*Chairman of the meeting*

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## Management's Statement

The Executive Board have today considered and approved the Annual Report of 29 January 2018 - 31 December 2018 for KNL Networks ApS.

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 and liabilities, financial position and results of operations for the financial year ended 31 December 2018.

In our opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

We recommend the Annual Report approved at the Annual General Meeting.

Hellerup, 31 January 2019

Executive Board:

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Maria Elina Alahuhta

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Toni Ilmari Lindén

# **Independent Auditor's Reports**

## **To the Shareholders of KNL Networks ApS**

### **Opinion**

We have audited the financial statements of KNL Networks ApS for the financial year 29 January 2018 - 31 December 2018, which comprise income statement, balance, notes and 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 financial position of the Company at 31 December 2018 and of the results of the operations for the financial year 29 January 2018 - 31 December 2018 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### **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 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 Reports (-continued)**

### **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 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 the financial statements.

As part of an audit conducted in accordance with ISAs and 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 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.

## **Independent Auditor's Reports (-continued)**

- Evaluate the overall presentation, structure and contents of the financial statements, including the note 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.

### **Statement on 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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 31 January 2019  
Ernst & Young  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Anders Flymer-Dindler  
State Authorised  
Public Accountant  
MNE no.: mne35423

## Company details

<b>Company details</b>	KNL Networks ApS Strandvejen 60 2900 Hellerup	
	CVR no.:	39 28 90 16
	Founded:	29 January 2018
	Registered office:	Gentofte
	Financial year:	29 January - 31 December
<b>Executive Board</b>	Maria Elina Alahuhta Toni Ilmari Lindén	
<b>Auditor</b>	Ernst & Young P/S Osvald Helmuths Vej 4 2000 Frederiksberg	

## **Management's Review**

### **Primary activities of the Company**

The company's activity is providing services in connection with the development and sales of KNL's products.

### **Development in activities and financial affairs**

The company's financial performance is considered satisfying.



## Income Statement 29 January - 31 December

DKK	<u>Notes</u>	<u>11 months 2018</u>
<b>Gross profit</b>		<b>4.222.855</b>
Staff costs	1	<u>-3.851.801</u>
<b>Operating profit</b>		<b>371.054</b>
Financial expenses	2	<u>-3.918</u>
<b>Profit before tax</b>		<b>367.136</b>
Tax expense	3	<u>-84.876</u>
<b>Profit for the year</b>		<b><u>282.260</u></b>
<b>Proposed distribution of results</b>		
Retained earnings		282.260
Proposed dividend recognised in equity		<u>0</u>
<b>Total distribution</b>		<b><u>282.260</u></b>

## Balance Sheet at 31 December

### Assets

	<u>Notes</u>	<u>2018</u>
Other receivables		135.000
<b>Financial fixed assets</b>		<b><u>135.000</u></b>
<b>Fixed assets</b>		<b><u>135.000</u></b>
Receivables from group enterprises		219.062
Other receivables		463.563
Prepayments		149.388
<b>Receivables</b>		<b><u>832.013</u></b>
<b>Cash and cash equivalents</b>		<b><u>324.115</u></b>
<b>Current assets</b>		<b><u>1.156.128</u></b>
<b>Assets</b>		<b><u>1.291.128</u></b>

## Balance Sheet at 31 December

### Equity and liabilities

	<u>Notes</u>	<u>2018</u>
Share capital		50.000
Retained earnings		282.260
Proposed dividend recognised in equity		0
<b>Equity</b>	<b>4</b>	<b><u>332.260</u></b>
Trade payables		400.265
Tax payables		84.876
Other payables		473.727
<b>Short-term liabilities other than provisions</b>		<b><u>958.868</u></b>
<b>Liabilities other than provisions</b>		<b><u>958.868</u></b>
<b>Equity and liabilities</b>		<b><u>1.291.128</u></b>
Contingent liabilities	5	

## Notes

	<u>2018</u>
<b>1 Staff costs</b>	
Wages and salaries	3.699.139
Post-employment benefit expense	148.626
Social security contributions	4.036
	<u><b>3.851.801</b></u>
Average number of full time employees	<u>3</u>
<b>2 Financial expenses</b>	
Other financial expenses	<u>3.918</u>
	<u><b>3.918</b></u>
<b>3 Tax expense</b>	
Tax expense on ordinary activities	<u>84.876</u>
	<u><b>84.876</b></u>
<b>4 Equity</b>	
Share capital at 29 January	<u>50.000</u>
Share capital at 31 December	<u>50.000</u>
Retained earnings at 29 January	0
Proposed distribution of results this year	282.260
Retained earnings at 31 December	<u>282.260</u>
Proposed dividend recognised in equity at 29 January	0
Dividend paid	0
Proposed distribution of results	0
Proposed dividend recognised in equity at 31 December	<u>0</u>
<b>Equity 31 December</b>	<u><b>332.260</b></u>
<b>5 Contingent liabilities</b>	
There are no contingent liabilities.	

## **Accounting policies**

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

### **General**

#### **Reporting currency**

The Annual Report is presented in Danish kroner (DKK).

#### **In general regarding accounting and measuring**

Income is recognized in the income statement when they are earned. Furthermore are all costs, depreciations and write downs recognized in the income statement when incurred.

Assets are recognized in the balance sheet when it is probable that future economical benefits will accrue to the company and the assets value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economical benefits will be deducted from the company and the value can be measured reliably.

On initial recognition assets and liabilities are measured to cost price. Thereafter assets and liabilities are measured as described for each entry.

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.

#### **Currency retranslation**

Transactions denominated in foreign currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Exchange differences arising between the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the balance sheet date. The difference between the exchange rates ruling at the balance sheet date and at the date when the receivable or payable arose is recognized in the income statement under financial income or financial expenses.

Non-current assets acquired in foreign currency are measured to the exchange rate ruling at the date of the transaction.

## **Accounting policies**

### **Income statement**

#### **Gross profit**

With reference to section 32 of the Danish Financial Statement Act, the items "Revenue" to and including "Other external expenses" are consolidated into one item designated "Gross profit".

#### **Revenue**

Revenue includes invoiced sales of goods and rendering of services, recognition is done, when

- delivery and transfer of risk to the buyer has taken place before year end
- a committing sales agreement exists
- sales price is determined, and
- payment is received, or there are reasonable security that it will be received

Revenue is recognized excluding value added tax and after deduction of provisions rebates and trade discounts relating to the sale.

#### **Other external expenses**

Other external expenses include expenses related to distribution, sale, advertising, administration, bad debt, premises, operating lease agreements etc.

#### **Staff costs**

Staff costs comprise costs such as wages and salaries, pension costs and other social security benefits ect. to the company's employees.

#### **Financial items**

Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable, realised and unrealised capital gains on securities and currency translation adjustments.

#### **Tax expense**

Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

## **Accounting policies**

### **Balance sheet**

#### **Receivables**

Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

#### **Prepayments**

Prepayments comprise prepayments for expenses related to subsequent events.

#### **Cash and bank balances**

Cash comprises cash balances and bank balances.

#### **Current tax and current deferred tax**

Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities.

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 income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

## **Accounting policies**

### **Liabilities**

Borrowings are recognized at the time the loans are obtained and are initially measured at the proceeds received less transaction costs. In the subsequent periods, financial liabilities are measured at amortized cost, applying the 'effective interest rate method', to the effect that the difference between the proceeds and the nominal value is recognized in the income statement under financial expenses over the term of the loan.

Mortgage debt is recognized at amortized cost price, which for cash loans is equal to outstanding loan. For bond loans amortized cost price equals the underlying cash value at time of borrowing regulated with an exchange rate at the time of borrowing depreciated over the

Other liabilities are measured at amortized cost, corresponding to the nominal value.