

Keesing Danmark A/S

Bernhard Bangs Alle 23
2000 Frederiksberg
Business Registration No
89964318

Annual report 2018

The Annual General Meeting adopted the annual report on 28.05.2019

Chairman of the General Meeting

Name: Jesper Kim Wamsler

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Entity details

Entity

Keesing Danmark A/S
Bernhard Bangs Alle 23
2000 Frederiksberg

Central Business Registration No (CVR): 89964318

Registered in: Frederiksberg

Financial year: 01.01.2018 - 31.12.2018

Website: www.tankesport.dk

E-mail: info@keesing.dk

Board of Directors

Philip Joris Alberdingk Thijm
Jacob Hendrik Bouman
Jesper Kim Wamsler

Executive Board

Jesper Kim Wamsler

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 Keesing Danmark A/S for the financial year 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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.

Frederikberg, 28.05.2019

Executive Board

Jesper Kim Wamsler

Board of Directors

Philip Joris Alberdingk Thijm

Jacob Hendrik Bouman

Jesper Kim Wamsler

Independent auditor's extended review report

To the shareholders of Keesing Danmark A/S

Conclusion

We have performed an extended review of the financial statements of Keesing Danmark A/S for the financial year 01.01.2018 - 31.12.2018, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

Independent auditor's extended review report

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

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 extended review 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 extended review 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.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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, 28.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Thomas Frommelt Hertz

State Authorised Public Accountant

Identification No (MNE) mne31543

Management commentary

Primary activities

The activity of the company is operation of publishing including production and sale of editorial material and other related services.

Development in activities and finances

The company has for the year 2018 recorded a profit of DKK'000 1.308 against a profit in 2017 of DKK'000 3.387 which is considered to be satisfactory by the Management.

The company's parent has issued a financial support statement for grants of financial resources for the continued operation in 2019.

The company has lost more than 50% of the share capital. The management will according to the Danish Companies Act undertake actions that ensure the restoration hereof.

Events after the balance sheet date

In 2019 Keesing Denmark A.S. purchased the shares of PIB Features ApS in Denmark

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

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Gross profit		7.008.143	8.646
Staff costs	1	(5.476.776)	(5.185)
Depreciation, amortisation and impairment losses	2	<u>(50.773)</u>	<u>(16)</u>
Operating profit/loss		1.480.594	3.445
Other financial income	3	47.116	5
Other financial expenses	4	<u>(219.902)</u>	<u>(63)</u>
Profit/loss before tax		1.307.808	3.387
Tax on profit/loss for the year	5	<u>0</u>	<u>0</u>
Profit/loss for the year		<u>1.307.808</u>	<u>3.387</u>
Proposed distribution of profit/loss			
Retained earnings		<u>1.307.808</u>	<u>3.387</u>
		<u>1.307.808</u>	<u>3.387</u>

Balance sheet at 31.12.2018

	Notes	2018 DKK	2017 DKK'000
Completed development projects		0	0
Intangible assets	6	0	0
Other fixtures and fittings, tools and equipment		145.402	0
Leasehold improvements		81.271	29
Property, plant and equipment	7	226.673	29
Deposits		84.886	85
Fixed asset investments	8	84.886	85
Fixed assets		311.559	114
Work in progress		418.044	418
Prepayments for goods		1.466.782	1.243
Inventories		1.884.826	1.661
Trade receivables		1.338.203	1.440
Receivables from group enterprises		1.180	32
Other receivables		149.512	0
Receivables		1.488.895	1.472
Cash		433.343	1.507
Current assets		3.807.064	4.640
Assets		4.118.623	4.754

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Contributed capital	9	7.347.232	7.347
Retained earnings		<u>(9.668.241)</u>	<u>(10.976)</u>
Equity		<u>(2.321.009)</u>	<u>(3.629)</u>
Trade payables		3.002.946	376
Payables to group enterprises	10	1.337.659	1.940
Other payables		1.117.337	1.839
Deferred income		<u>981.690</u>	<u>4.228</u>
Current liabilities other than provisions		<u>6.439.632</u>	<u>8.383</u>
Liabilities other than provisions		<u>6.439.632</u>	<u>8.383</u>
Equity and liabilities		<u>4.118.623</u>	<u>4.754</u>
Unrecognised rental and lease commitments	11		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	7.347.232	(10.976.049)	(3.628.817)
Profit/loss for the year	<u>0</u>	<u>1.307.808</u>	<u>1.307.808</u>
Equity end of year	<u>7.347.232</u>	<u>(9.668.241)</u>	<u>(2.321.009)</u>

Notes

	2018	2017
	DKK	DKK'000
1. Staff costs		
Wages and salaries	4.882.726	4.513
Pension costs	634.924	599
Other social security costs	(40.874)	73
	5.476.776	5.185
 Average number of employees	 12	 11
	2018	2017
	DKK	DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	50.773	16
	50.773	16
	2018	2017
	DKK	DKK'000
3. Other financial income		
Financial income arising from group enterprises	0	5
Exchange rate adjustments	47.116	0
	47.116	5
	2018	2017
	DKK	DKK'000
4. Other financial expenses		
Financial expenses from group enterprises	0	41
Other interest expenses	17.236	14
Exchange rate adjustments	202.666	8
	219.902	63
	2018	2017
	DKK	DKK'000
5. Tax on profit/loss for the year		
Current tax	1	0
Change in deferred tax	(1)	0
	0	0

Notes

	Completed develop- ment projects DKK	
6. Intangible assets		
Cost beginning of year		<u>3.779.815</u>
Cost end of year		<u>3.779.815</u>
Amortisation and impairment losses beginning of year		<u>(3.779.815)</u>
Amortisation and impairment losses end of year		<u>(3.779.815)</u>
Carrying amount end of year		<u>0</u>
	Other fixtures and fittings, tools and equipment DKK	Leasehold improve- ments DKK
7. Property, plant and equipment		
Cost beginning of year	525.007	81.861
Additions	<u>176.939</u>	<u>71.855</u>
Cost end of year	<u>701.946</u>	<u>153.716</u>
Depreciation and impairment losses beginning of year	(525.007)	(53.209)
Depreciation for the year	<u>(31.537)</u>	<u>(19.236)</u>
Depreciation and impairment losses end of year	<u>(556.544)</u>	<u>(72.445)</u>
Carrying amount end of year	<u>145.402</u>	<u>81.271</u>
		Deposits DKK
8. Fixed asset investments		
Cost beginning of year		<u>84.886</u>
Cost end of year		<u>84.886</u>
Carrying amount end of year		<u>84.886</u>

Notes

	Number	Par value DKK	Nominal value DKK
9. Contributed capital			
5 shares of 100.000 kr.	5	100000	500.000
1 shares of 1.000.000 kr.	1	1000000	1.000.000
1 shares of 3.000.000 kr.	1	3000000	3.000.000
1 shares of 2.847.232 kr.	1	2847232	2.847.232
	8		7.347.232

10. Payables to group enterprises

The company's parent has issued a financial support statement for grants of financial resources for the continued operations in 2019. The financial support statement is irredeemable until the 28th May 2020.

	2018 DKK	2017 DKK'000
11. Unrecognised rental and lease commitments		
Liabilities under rental or lease agreements until maturity in total	81.000	161

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and costs directly related hereto as well as other external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. 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.

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary writedowns of the relevant inventories.

Other external expenses

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 writedowns of receivables recognised in current assets.

Accounting policies

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

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

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred less deferred tax is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives of the assets. The amortisation period is usually five years, but in certain cases it may be up to 20 years if the

Accounting policies

longer amortisation period is considered to better reflect the Company's benefit from the developed product etc.

Property, plant and equipment

Plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Plant and machinery	3-5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost of goods for resale raw materials and consumables consists of costs of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables and labour costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Accounting policies

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.