

Keesing Danmark A/S
Bernhard Bangs Allé 23
2000 Frederiksberg
Central Business Registration No
89964318

Annual report 2017

The Annual General Meeting adopted the annual report on 23.04.2018

Chairman of the General Meeting

Name: Jesper Kim Wamsler

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Entity details

Entity

Keesing Danmark A/S
Bernhard Bangs Allé 23
2000 Frederiksberg

Central Business Registration No: 89964318
Registered in: Frederiksberg
Financial year: 01.01.2017 - 31.12.2017

Website: www.tankesport.dk
E-mail: info@keesing.dk

Board of Directors

Philip Joris Alberdingk Thijm, Chairman
Jacob Hendrik Bouman
Jesper Kim Wamsler

Executive Board

Jesper Kim Wamsler, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postbox 1600
0900 Copenhagen 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 01.01.2017 - 31.12.2017.

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 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

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.

Frederiksberg, 23.04.2018

Executive Board

Jesper Kim Wamsler
Chief Executive Officer

Board of Directors

Philip Joris Alberdingk Thijm
Chairman

Jacob Hendrik Bouman

Jesper Kim Wamsler

Independent auditor's report

To the shareholders of Keesing Danmark A/S

Opinion

We have audited the financial statements of Keesing Danmark A/S for the financial year 01.01.2017 - 31.12.2017, 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

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, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements 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 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 judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 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 audit 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 audit 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.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 23.04.2018

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Thomas Frommelt Hertz

State Authorised Public Accountant

Identification number (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 2017 recorded a profit of DKK'000 3.387 against a profit in 2016 of DKK'000 2.068 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 2018.

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

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

Income statement for 2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Gross profit		8.646.682	7.271
Staff costs	1	(5.183.637)	(5.085)
Depreciation, amortisation and impairment losses	2	<u>(16.372)</u>	<u>(16)</u>
Operating profit/loss		3.446.673	2.170
Other financial income	3	4.929	6
Other financial expenses	4	<u>(64.186)</u>	<u>(108)</u>
Profit/loss for the year		<u>3.387.416</u>	<u>2.068</u>
Proposed distribution of profit/loss			
Retained earnings		<u>3.387.416</u>	<u>2.068</u>
		<u>3.387.416</u>	<u>2.068</u>

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Completed development projects		0	0
Intangible assets	5	0	0
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		28.652	45
Property, plant and equipment	6	28.652	45
Deposits		84.886	85
Fixed asset investments	7	84.886	85
Fixed assets		113.538	130
Work in progress		418.350	407
Prepayments for goods		1.243.933	1.440
Inventories		1.662.283	1.847
Trade receivables		1.439.872	1.676
Receivables from group enterprises		32.245	610
Prepayments		0	2
Receivables		1.472.117	2.288
Cash		1.507.491	2.080
Current assets		4.641.891	6.215
Assets		4.755.429	6.345

Balance sheet at 31.12.2017

	<u>Notes</u>	<u>2017 DKK</u>	<u>2016 DKK'000</u>
Contributed capital	8	7.347.232	7.347
Retained earnings		(10.976.049)	(14.363)
Equity		(3.628.817)	(7.016)
Trade payables		376.052	127
Payables to group enterprises	9	1.939.644	5.991
Other payables		1.840.243	2.003
Deferred income		4.228.307	5.240
Current liabilities other than provisions		8.384.246	13.361
Liabilities other than provisions		8.384.246	13.361
Equity and liabilities		4.755.429	6.345
Contingent liabilities	10		
Receivables from management category repaid during the financial year	11		

Statement of changes in equity for 2017

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	7.347.232	(14.363.465)	(7.016.233)
Profit/loss for the year	0	3.387.416	3.387.416
Equity end of year	7.347.232	(10.976.049)	(3.628.817)

Notes

	2017	2016
	DKK	DKK'000
1. Staff costs		
Wages and salaries	4.512.182	4.469
Pension costs	598.704	581
Other social security costs	72.751	35
	5.183.637	5.085
 Average number of employees	 11	 10
	2017	2016
	DKK	DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	16.372	16
	16.372	16
	2017	2016
	DKK	DKK'000
3. Other financial income		
Financial income arising from group enterprises	4.929	6
	4.929	6
	2017	2016
	DKK	DKK'000
4. Other financial expenses		
Financial expenses from group enterprises	40.917	101
Interest expenses	14.212	6
Exchange rate adjustments	9.057	1
	64.186	108

Notes

	Completed development projects	
	DKK	
5. 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	Leasehold improvements
	DKK	DKK
6. Property, plant and equipment		
Cost beginning of year	<u>525.007</u>	<u>81.861</u>
Cost end of year	<u>525.007</u>	<u>81.861</u>
Depreciation and impairment losses beginning of the year	(525.007)	(36.837)
Depreciation for the year	<u>0</u>	<u>(16.372)</u>
Depreciation and impairment losses end of the year	<u>(525.007)</u>	<u>(53.209)</u>
Carrying amount end of year	<u>0</u>	<u>28.652</u>
		Deposits
		DKK
7. 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
8. 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

There has not been any changes in the share capital since 2006.

9. Payables to group enterprises

The company's parent has issued a financial support statement for grants of financial resources for the continued operations in 2018. The financial support statement is irredeemable until the 23th April 2019.

10. Contingent liabilities

Contingent liabilities consists of office rent expenses of 160.944 DKK.

11. Receivables from management category repaid during the financial year

Receivables from owners and Management comprises of ordinary business expenses in connection with employee's travel activities.

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 write-downs 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 write-downs 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

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing 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 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 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.

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

Accounting policies

Property, plant and equipment

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:

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.

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 write-downs for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Accounting policies

Other financial liabilities

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

Deferred income

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