

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

Annual report 2016

The Annual General Meeting adopted the annual report on 19.05.2017

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: 01.01.2016 - 31.12.2016

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

Board of Directors

Stefaan Alfred Cornilly
Jacob Hendrik Bouman
Jesper Kim Wamsler

Executive Board

Jesper Kim Wamsler, Chief Executive Officer

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 01.01.2016 - 31.12.2016.

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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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, 19.05.2017

Executive Board

Jesper Kim Wamsler
Chief Executive Officer

Board of Directors

Stefaan Alfred Cornilly

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 01.01.2016 - 31.12.2016, 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 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 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.

Material uncertainty related to going concern

Without it affecting our opinion we also note the information in note 1 which shows that the company's continued operation is dependent on liquidity from the parent and the parent has issued a financial support statement of liquidity to the extent that management deems it necessary. The financial support statement is irredeemable until the 29th April 2017.

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,

Independent auditor's report

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:

- 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

Independent auditor's report

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.

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.

København, 19.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Thomas Frommelt Hertz

statsautoriseret revisor

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 2016 recorded a profit of DKK'000 2.068 against a loss in 2015 of DKK'000 392 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 2017.

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 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Gross profit		7.272.529	5.768
Staff costs	2	(5.086.371)	(5.654)
Depreciation, amortisation and impairment losses	3	<u>(16.372)</u>	<u>(351)</u>
Operating profit/loss		2.169.786	(237)
Other financial income	4	6.031	8
Other financial expenses	5	<u>(107.808)</u>	<u>(163)</u>
Profit/loss for the year		<u>2.068.009</u>	<u>(392)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>2.068.009</u>	<u>(392)</u>
		<u>2.068.009</u>	<u>(392)</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Completed development projects		0	0
Intangible assets	6	0	0
Other fixtures and fittings, tools and equipment		0	0
Leasehold improvements		45.024	62
Property, plant and equipment	7	45.024	62
Deposits		84.886	82
Fixed asset investments	8	84.886	82
Fixed assets		129.910	144
Work in progress		407.366	398
Prepayments for goods		1.440.405	1.639
Inventories		1.847.771	2.037
Trade receivables		1.675.339	1.251
Receivables from group enterprises		609.859	697
Other receivables		56	99
Prepayments		1.654	24
Receivables		2.286.908	2.071
Cash		2.079.652	627
Current assets		6.214.331	4.735
Assets		6.344.241	4.879

Balance sheet at 31.12.2016

	Notes	2016 DKK	2015 DKK'000
Contributed capital	9	7.347.232	7.347
Retained earnings		(14.363.464)	(16.431)
Equity		(7.016.232)	(9.084)
Trade payables		127.095	724
Payables to group enterprises		5.991.069	11.169
Other payables		2.001.700	1.553
Deferred income		5.240.609	517
Current liabilities other than provisions		13.360.473	13.963
Liabilities other than provisions		13.360.473	13.963
Equity and liabilities		6.344.241	4.879
Going concern	1		
Contingent liabilities	10		
Receivables from management category repaid during the financial year	11		
Group relations	12		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	7.347.232	(16.431.473)	(9.084.241)
Profit/loss for the year	0	2.068.009	2.068.009
Equity end of year	7.347.232	(14.363.464)	(7.016.232)

Notes

1. Going concern

The company is expecting a result for 2017, which is equal to the realised profit for 2016, but is also expecting a liquidity squeeze.

The company's parent has therefore issued a financial support statement for grants of financial resources for the continued operations in 2017. The financial support statement is irredeemable until the 29th April 2018.

	2016	2015
	DKK	DKK'000
2. Staff costs		
Wages and salaries	4.469.590	4.915
Pension costs	581.564	628
Other social security costs	35.217	111
	5.086.371	5.654

	2016	2015
	DKK	DKK'000
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	0	298
Depreciation of property, plant and equipment	16.372	53
	16.372	351

	2016	2015
	DKK	DKK'000
4. Other financial income		
Financial income arising from group enterprises	6.031	8
	6.031	8

	2016	2015
	DKK	DKK'000
5. Other financial expenses		
Financial expenses from group enterprises	100.781	134
Interest expenses	5.798	0
Exchange rate adjustments	1.229	29
	107.808	163

Notes

	Completed development projects	
	DKK	
6. Intangible assets		
Cost beginning of year		3.779.815
Cost end of year		3.779.815
Amortisation and impairment losses beginning of year		(3.779.815)
Amortisation and impairment losses end of year		(3.779.815)
Carrying amount end of year		0
	Other fixtures and fittings, tools and equipment	Leasehold improvements
	DKK	DKK
7. Property, plant and equipment		
Cost beginning of year	525.007	81.861
Cost end of year	525.007	81.861
Depreciation and impairment losses beginning of the year	(525.007)	(20.465)
Depreciation for the year	0	(16.372)
Depreciation and impairment losses end of the year	(525.007)	(36.837)
Carrying amount end of year	0	45.024
		Deposits
		DKK
8. Fixed asset investments		
Cost beginning of year		82.400
Additions		2.486
Cost end of year		84.886
Carrying amount end of year		84.886

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

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

10. Contingent liabilities

Contingent liabilities consists of auto lease for 33.671 DKK and office rent for 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.

12. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Telegraaf Media Group, The Netherlands

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Telegraaf Media Group, The Netherlands

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.

Other financial liabilities

Accounting policies

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.