

CEWE-PRINT Nordic A/S

Annual report 2015

The annual report was presented and adopted at the
Company's annual general meeting

on 3. May 20 16

chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of CEWE-PRINT Nordic A/S for the financial year 1 January – 31 December 2015.

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, liabilities and financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report should be approved at the annual general meeting.

Skødstrup, 3 May 2016
Executive Board:


Ané Gylholm

Board of Directors:


Patrick Berkhouwer
Chairman
Mathias Mess
Jean-Paul Vern
Ané Gylholm

Independent auditor's report

To the shareholders of CEWE-PRINT Nordic A/S

Independent auditor's report on the financial statements

We have audited the financial statements of CEWE-PRINT Nordic A/S for the financial year 1 January – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility 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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Company's activities for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

In accordance with the Danish Financial Statements Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aarhus 3 May 2016

KPMG

Statsautoriseret Revisionspartnerselskab



Michael Mortensen
State Authorised
Public Accountant

Management's review

Company details

CEWE-PRINT Nordic A/S
c/o CEWE Nordic ApS
Segaltvej 16
DK-8541 Skødstrup

Telephone: +45 86 99 14 22
CVR no.: 12 47 70 82
Registered office: Skødstrup
Financial year: 1 January – 31 December

Board of Directors

Patrick Berkhouwer
Mathias Mess
Jean-Paul Vern
Ané Gyldholm

Executive Board

Ané Gyldholm

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Bredskifte Allé 13
DK-8210 Aarhus V

Bankers

Danske Bank
Åboulevarden 69
DK-8000 Aarhus C

Management's review

Operating review

Principal activities

The Company sells and delivers digital photo solutions.

Development in activities and financial position

For the year under review, the Company reported a profit of DKK 363, total assets of DKK 252,538 and equity of a negative of DKK 4,466 thousand. This is in line with last year's expectations.

Capital resources

The Company has lost more than 50% of its share capital and is therefore subject to section 119 of the Danish Companies Act. Management expects that the share capital will be restored through future earnings.

The Parent Company, CEWE Nordic ApS, has submitted a letter of subordination for their receivable against CEWE-PRINT Nordic A/S and declared its intention to provide the necessary liquidity required for the coming year of operation.

Events after the balance sheet date

No events after the balance sheet date have occurred that may have influence the financial statements for 2015.

Financial statements 1 January – 31 December

Accounting policies

The annual report of CEWE-PRINT Nordic A/S for 2015 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

In the income statement the items revenue, cost of goods sold and other external costs are aggregated to the caption gross profit in accordance with Section 32 of the Danish Financial Statements Act.

Revenue

Income from the sale of goods and finished goods is recognised as revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

Costs of goods sold

Costs of goods sold comprise costs incurred to generate revenue for the year.

Financial statements 1 January – 31 December

Accounting policies

Other external costs

Other external costs consist of costs of distribution, sales, advertising, administration, bad debts, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost.

Other liabilities are measured at net realisable value.

Financial statements 1 January – 31 December

Income statement

| DKK | Note | 2015 | 2014 |
|---|------|--------|--------|
| Gross profit/loss | | 1,953 | -6,476 |
| Other financial expenses | | -1,590 | -1,763 |
| Profit/loss before tax | | 363 | -8,239 |
| Tax on profit/loss for the year | | 0 | 0 |
| Profit/loss for the year | | 363 | -8,239 |
| Proposed profit appropriation/distribution of loss | | | |
| Retained earnings | | 363 | -8,239 |
| | | 363 | -8,239 |

Financial statements 1 January – 31 December

Balance sheet

| DKK | Note | 2015 | 2014 |
|---------------------------------|------|----------------|----------------|
| ASSETS | | | |
| Current assets | | | |
| Receivables | | | |
| Trade receivables | | 8,136 | 4,296 |
| Prepayments | | 0 | 4,900 |
| | | <u>8,136</u> | <u>9,196</u> |
| Cash at bank and in hand | | <u>244,402</u> | <u>268,347</u> |
| Total current assets | | <u>252,538</u> | <u>277,543</u> |
| TOTAL ASSETS | | <u>252,538</u> | <u>277,543</u> |

Financial statements 1 January – 31 December

Balance sheet

| DKK | Note | 2015 | 2014 |
|---|------|------------|------------|
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Share capital | | 2,000,000 | 2,000,000 |
| Retained earnings | | -2,004,466 | -2,004,829 |
| Total equity | 2 | -4,466 | -4,829 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Payables to group entities | | 242,804 | 242,804 |
| | | 242,804 | 242,804 |
| Current liabilities | | | |
| Trade payables | | 0 | 4,688 |
| Other payables | | 14,200 | 34,880 |
| | | 14,200 | 39,568 |
| Total liabilities | | 257,004 | 282,372 |
| TOTAL EQUITY AND LIABILITIES | | 252,538 | 277,543 |
| Disclosure of material uncertainties regarding going concern | | | |
| | 1 | | |
| Contractual obligations, contingencies, etc. | | | |
| | 3 | | |
| Related parties and ownership | | | |
| | 4 | | |

Financial statements 1 January – 31 December

Notes

1 Disclosure of capital resources

The Parent Company has submitted a letter of subordination for its receivable against CEWE-PRINT Nordic A/S and declared its intention to provide the necessary liquidity required for the coming year of operation.

2 Equity

| DKK | Share capital | Retained earnings | Total |
|-----------------------------------|------------------|-------------------|---------------|
| Equity at 1 January 2015 | 2,000,000 | -2,004,829 | -4,829 |
| Net profit/loss for the year | 0 | 363 | 363 |
| Equity at 31 December 2015 | 2,000,000 | -2,004,466 | -4,466 |

The share capital consists of 20,000 shares of a nominal value of DKK 100. No shares carry special rights.

There have been no changes in the share capital during the last five years.

3 Contractual obligations, contingencies, etc.

Contingent assets

The Company has a non-recognised tax asset of DKK 2,184 thousand.

Contingent liabilities

The Danish CEWE entities are jointly and severally liable for tax on the companies' jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. The jointly taxed entities' total net liability to the Danish tax authorities (SKAT) amounted to DKK 0 thousand at 31 December 2015. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability.

Financial statements 1 January – 31 December

Notes

4 Related party transactions

CEWE-PRINT Nordic A/S' related parties comprise the following:

Control

CEWE Nordic ApS, Skødstrup, Denmark, who holds the entire share capital of the Company.

The Company's ultimate parent company is CeWe Stiftung & Co. KGaA, Oldenburg, Germany.

The consolidated financial statements are available at www.cewe.de.