

# **Humac A/S**

**Sydvestvej 21, 3rd floor  
2600 Glostrup**

**CVR no. 13 39 75 97**

**Annual report for the period 1 October 2015 to 30 September 2016  
(30th financial year)**

The annual report was presented and  
adopted at the annual general meeting of  
the Company on 20 February 2017



---

Chairman

## Contents

	<b>Page</b>
Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
<b>Management's review</b>	
Company details	5
Financial highlights	6
Operating review	7
<b>Financial statements</b>	
Accounting policies	11
Income statement	15
Balance sheet	16
Cash flow statement	18
Notes	19

## 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 Humac A/S for the financial year 1 October 2015 - 30 September 2016.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2016 and of the results of the Company's operations and cash flows for the financial year 1 October 2015 - 30 September 2016.

In our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters, of the results for the year and of the Company's financial position.

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

Glostrup, 20 February 2017

### Executive Board



Michael Bech  
CEO

### Board of Directors

  
Philipp Gens  
Chairman  
Tikhon Smykov  
Denis Sitnikov  
Michael Bech

## **Independent auditor's report**

To the shareholders of Humac A/S

### **Independent auditor's report on the financial statements**

We have audited the financial statements of Humac A/S for the financial year 1 October 2015 - 30 September 2016. The financial statements comprise accounting policies, income statement, balance sheet, cash flow statement 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 30 September 2016 and of the results of the Company's operations and cash flows for the financial year 1 October 2015 - 30 September 2016 in accordance with the Danish Financial Statements Act.

## **Independent auditor's report**

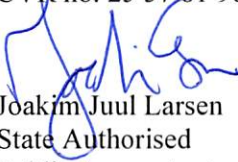
### **Statement on the Management's review**

Pursuant to 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.

Copenhagen, 20 February 2017

#### **KPMG**

Statsautoriseret Revisionspartnerselskab  
CVR no. 25 57 81 98



Joakim Juul Larsen  
State Authorised  
Public Accountant

## **Management's review**

### **Company details**

<b>Company</b>	Humac A/S Sydvestvej 21, 3rd floor 2600 Glostrup Denmark
	Telephone: +45 70 21 53 53
	Fax: +45 70 21 53 55
	Website: <a href="http://www.humac.dk">www.humac.dk</a>
	CVR no.: 13 39 75 97
	Financial year: 1 October - 30 September
	Incorporated: 1 August 1989
	Registered office: Glostrup

<b>Board of Directors</b>	Philipp Gens, Chairman Tikhon Smykov Denis Sitnikov Michael Bech
---------------------------	---

<b>Executive Board</b>	Michael Bech, CEO
------------------------	-------------------

<b>Auditor</b>	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 Copenhagen Denmark
----------------	---

<b>General Meeting</b>	The annual general meeting is held on 20 February 2017 at the Company's address.
------------------------	--

## Management's review

### Financial highlights

The Company's development in the last five years can be described as follows:

	2015/16	2014/15	2013/14	2012/13	2011/12
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Revenue	647,862	704,289	458,379	410,006	452,999
Gross profit	69,671	78,225	48,207	44,087	46,421
Profit before financial income and expenses	923	7,944	-1,249	-2,014	52,170
Net financials	-2,412	-2,361	-1,824	-1,602	-723
Net profit/loss for the year	-1,165	3,663	-2,254	-3,243	3,430
Total assets	92,165	106,334	88,074	84,334	77,739
Equity	10,870	12,035	8,372	10,625	13,869
<b>Cash flows from:</b>					
- operating activities	5,858	-10,683	-2,967	6,354	2,934
- investing activities	-6,982	-7,356	-4,727	-4,709	-11,895
- including investment in property, plant and equipment	-7,373	-7,356	-4,415	-4,843	-7,867
- financing activities	-392	-8,231	7,450	181	-29
Change in cash and cash equivalents for the year	-1,517	-26,270	-243	1,825	-8,990
<b>Ratios</b>					
Gross margin	10.8%	11.1%	10.5%	10.8%	10.2%
Profit margin	0.2%	1.1%	-0.3%	-0.5%	11.5%
Solvency ratio	11.8%	11.3%	9.5%	12.6%	17.8%
Return on equity	-10.2%	35.9%	-23.7%	-26.5%	28.2%
Return on invested capital	2.1%	28.9%	-1.5%	-1.5%	7.0%
Average number of full-time employees	164	161	112	117	110

The ratios have been prepared in accordance with the recommendations and guidelines issued by the Danish Society of Financial Analysts. For definitions, see under accounting policies.

## **Management's review**

### **Operating review**

#### **Principal activity**

The Company's principal activities comprise sale of consumer electronics, IT equipment, system integration and other IT-related services. At the end of the financial year, the Company had 22 retail stores focusing on sale directly to retail customers and business customers, a direct sales function focusing on the SME and LA segments in the B2B area, an online shop and local authorised repair centres for Apple products.

#### **Development in activities and financial positions**

This is the Company's sixth operating year in the LANIT Group, which acquired the Company in May 2009.

The Group has collaborated with Apple since 1996. In the financial year 2010/11, the Group's retailing activities were split up and are now operated under re:Store Retail Group.

LANIT Group realised revenue of more than RUB 26 billion in re:Store Retail Group. In recent years, the Group has invested heavily in consumer business under the same model as Humac. At present, the re:Store Retail Group has 84 Apple Premium Reseller stores in Russia and Denmark (under the brands re:Store and Humac). Group Management has extensive experience in retailing across various markets and operates other mono-brand retail concepts in Eastern Europe (more than 350 mono-brand stores in total within various brands such as Apple, LEGO, Samsung, Nike, PRENATAL, Sony, Street Beat, ROOKIE and UNOde50).

In 2015/16, the Management of Humac A/S continued the process in progress regarding cost efficiency measures and expansion of the number of stores as well as optimisation of sales and service channels. The chain now comprises 22 stores and 4 repair centres as well as B2B and online sales. With the acquisition of Eplehuset's activities in 2014, Humac is now the only chain in Denmark with Apple Premium Reseller status.

During the year, Management chose to outsource the repair centres so that four repair centres are now operated by Ingram Micro Mobility but still under the Humac brand. The centres are located in Aarhus, Kolding, Copenhagen city centre and Vesterbro and are efficient service centres. Heavy investments were made to upgrade the service facilities with status as AASP (Apple Authorised Service Partner).

During the financial year, Humac opened three new stores. In October 2015, a new store was opened in Aalborg Storcenter, and in November 2015, a new flagship store was opened in Illum Copenhagen. Moreover, Humac opened a store in Frederiksberg Centret in December 2015. At 1 April 2016, the Humac store in Magasin Aarhus closed because Magasin Aarhus due to refurbishment could no longer offer the right location for Humac.



## Management's review

In connection with the closing of the financial year 2014/15, Humac changed its ERP system and POS system in all stores and sales channels. The change was made at 30 September and 1 October to ensure continuity and isolation of financial transactions in the 2014/15 financial year and the current financial year 2015/16. The change was carried out as planned and took place without any large impact on customers or customer experience. As expected, the change has affected operations and results in the months following the change, but it is Management's assessment that the change has been made successfully and without significant challenges to the Company.

The change of systems also comprises implementation of new systems to the B2B sales function such as CRM and DEP (Device Enrollment Program), which are essential tools in our work with sales to businesses. These systems were either fully or partially implemented during the financial year.

The Company is thus structured to meet future IT requirements with significant possibilities to withstand competition and disruption in respect of the business model. The Company has a clear strategy to develop activities building customer loyalty in the coming year that will be implemented on an ongoing basis in the form of procedures and IT-based solutions.

The market is flat and still characterised by consumer caution and severe competition within consumer electronics. Competition is further intensified by the opening of new chains; however, the industry has also witnessed closing of stores to a wider extent than ever before in 2015/16. Revenue in Humac has been adversely affected by FONA's suspension of payments and subsequent shutdown of 56 stores during Q1 and Q2 2016. FONA's need for liquidity and subsequent realisation of inventories have entailed drastically reduced prices in the market over a long period and have had a direct adverse effect on sales in Humac's stores and online sales. Subsequently, Humac saw minor growth due to its share of the released sales volume of Apple products from FONA.

During the year, changes and adjustments have continued as part of the turnaround plan initiated by the Company in cooperation with the new Management in 2013, including significant replacements in staff at both middle manager and employee levels. This is to ensure the right resources and skills to enable growth and winning of additional market shares within sale and service of Apple products. Moreover, supplier contracts have been optimised on an ongoing basis to improve sales conditions and ensure a continued high level of modernisation and opening of new stores. Within IT, service and repair and customer centres, procedures and systems have been further optimised to continue enhancing the customer experience.

Humac still invests heavily in marketing and loyalty enhancement measures to increase the awareness of the chain and sales volumes, including expansion with new stores.

## **Management's review**

### **Outlook**

In the financial year 2015/16, the Company realised a loss of DKK 1.2 million and equity at 30 September 2016 of DKK 10.9 million.

The results are considered unsatisfactory.

Equity has thus decreased by DKK 12,035 thousand in the beginning of the financial year to DKK 10,870 thousand at the end of the financial year due to the loss for the year. The Board of Directors has decided that the Company will not distribute dividend to the investors and assessed that, for now, additional capital should not be injected into the Company. The current credit facilities are maintained to ensure the Company's continued growth potential.

The Company has not met Management's expectations for the financial year 2015/16.

A flat market within consumer electronics and the costs for integration of new ERP and POS systems with related support systems, establishment and refurbishment of stores and repair centres are factors that have significantly affected the results for the year.

Humac's investment and activity levels during the year have been significant, both in relation to stores and IT. The investments in and changes to IT operations and FONAs exit from the market with related effects have all affected the results for the year to some extent.

Following one of the big player's (FONA) exit from the market in 2016 and the related effect on risk assessments, etc., at a number of suppliers, Humac has experienced increased confidence and significantly better conditions with a number of the Company's suppliers. This is due to strict management of liquidity and payment flows.

Current costs have been under control, but the Company has made significant investments in refurbishment and new stores as well as in IT. Moreover, marketing costs have increased due to the Company's efforts to increase awareness and marketing in connection with the opening of new stores.

## **Management's review**

### **Expectations for the coming year**

The Management of Humac A/S expects that both revenue and results will increase in the coming year. Humac will continue its improvements on the cost side, optimisation of procedures and systems, focusing on providing the best customer experience, including additional application of new IT systems to improve operations and additional sales.

The increase in Apple's market share (due to continued launches of new, innovative products, for instance the new MacBook Pro, iPad Pro, iPhones and Apple Watch) will increase the growth potential in both the consumer segment and the B2B segment.

The Company's Management expects that the Company's current liquidity will be maintained and improved and that operations will be carried out as planned and budgeted for in 2016/17.

A continued caution in private consumption, competition from new/existing chains or shortage of deliveries and/or delays of new products from Apple may, however, have an adverse effect on the Company's results for the coming year.

It is Management's opinion that the strategic and cost-related measures that have been implemented will ensure continued growth in revenue and earnings for the coming year.

### **Subsequent events**

No events materially affecting the assessment of the annual report have occurred after the balance sheet date.

## **Financial statements 1 October 2015 - 30 September 2016**

### **Accounting policies**

The annual report of Humac A/S for 2015/16 has been prepared in accordance with the provisions applying to medium-sized reporting class C 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.

The financial statements of the Company are included in the consolidated financial statements of Delli Masters Ltd., Arch Makariou III, 232 Apollo Court, 1st floor, office 102, PC3030 Limasol, Cyprus.

### **Income statement**

#### **Revenue**

Revenue from the sale of goods for resale and finished goods is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end and that the income can be reliably measured and is expected to be received. Revenue is measured excl. VAT, taxes and discounts.

Variable costs comprises the company's external costs including costs for resale goods, costs for sales, campaigns, advertising, administrative costs for office premises and office expenses.

#### **Variable costs**

Variable costs comprises the company's external costs including costs for resale goods, costs of sales, sales campaigns, advertising, administrative costs for office premises and office expenses.

#### **Staff costs**

Staff costs comprise expenses incurred during the year for management and administration, including expenses for administrative staff.

#### **Financial income and expenses**

Financial income and expenses comprise interest income and expense, cash discounts, gains and losses on receivables, payables and transactions denominated in foreign currencies as well as surcharges and refunds under the on-account tax scheme, etc.

#### **Tax on profit for the year**

Tax for the year consists of current tax for the year and deferred tax for the year. The tax expense attributable to the profit for the year is recognised in the income statement, whereas the tax expense attributable to equity transactions is recognised directly in equity.

## Financial statements 1 October 2015 - 30 September 2016

### Accounting policies

#### Intangible assets

Intangible assets comprises right and software. Rights and software are measured at cost less accumulated amortisation. Amortisation is provided on a straight-line basis over the expected useful lives of the assets.

#### Property, plant and equipment

Leasehold improvements and fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment losses

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives based on the following assessment of the expected useful lives of the assets:

Equipment	3	years
Cars	5	years
Fixtures and fittings	4	years
Leasehold improvements	4	years

Depreciation is recognised in the income statement as depreciation.

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of non-current assets are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Inventories

Inventories are measured at cost in accordance with the AVCO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

The net realisable value of inventories is calculated as the sales amount less costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

## **Financial statements 1 October 2015 - 30 September 2016**

### **Accounting policies**

#### **Receivables**

Receivables are measured at amortised cost. Write-down is made to net realisable value for anticipated bad debt losses.

#### **Equity - dividends**

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

#### **Corporation tax and deferred tax**

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax value, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; 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.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

#### **Liabilities other than provisions**

Financial liabilities are measured at amortised cost. Other financial liabilities are measured at net realisable value.

#### **Deferred income**

Deferred income comprises payments received concerning income in subsequent years.

## Financial statements 1 October 2015 - 30 September 2016

### Accounting policies

#### Cash flow statement

The cash flow statement shows the Company's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

The cash flow statement cannot be directly derived from the other components of the financial statements.

#### Cash flows from operating activities

Cash flows from operating activities are calculated as operating profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

#### Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment and investments.

#### Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term bank borrowings.

#### Financial highlights overview

Financial highlights are calculated as follows:

Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Profit margin	$\text{Profit before net financials} \times 100 / \text{Revenue}$
Solvency ratio	$\text{Equity at year end} \times 100 / \text{Total assets}$
Return on equity	$\text{Net profit for the year} \times 100 / \text{Average equity}$
Return on invested capital	$\text{Operating profit} \times 100 / \text{Average invested capital}$

## Financial statements 1 October 2015 - 30 September 2016

### Income statement

	<u>Note</u>	<u>2015/16</u> DKK	<u>2014/15</u> DKK
<b>Revenue</b>		<b>647,862,402</b>	<b>704,289,372</b>
Variable costs		<u>-578,191,365</u>	<u>-626,064,547</u>
<b>Gross profit</b>		<b>69,671,037</b>	<b>78,224,825</b>
Staff costs	1	-62,750,620	-64,030,840
Depreciation and amortisation	2	<u>-5,997,763</u>	<u>-6,249,795</u>
<b>Profit before financial income and expenses</b>		<b>922,654</b>	<b>7,944,190</b>
Financial income		140,521	5,131
Financial expenses	3	<u>-2,552,263</u>	<u>-2,366,099</u>
<b>Profit before tax</b>		<b>-1,489,088</b>	<b>5,583,222</b>
Tax on profit/loss for the year	4	<u>324,206</u>	<u>-1,919,928</u>
<b>Profit for the year</b>		<b><u>-1,164,882</u></b>	<b><u>3,663,294</u></b>
<b>Proposed profit appropriation/loss</b>			
Retained earnings		<u>-1,164,882</u>	<u>3,663,294</u>
		<b><u>-1,164,882</u></b>	<b><u>3,663,294</u></b>



## Financial statements 1 October 2015 - 30 September 2016

### Balance sheet

	<u>Note</u>	<u>2015/16</u> DKK	<u>2014/15</u> DKK
<b>Assets</b>			
Software		4,705,496	2,045,763
Rights		<u>1,478,605</u>	<u>1,725,255</u>
<b>Intangible assets</b>	5	<u><b>6,184,101</b></u>	<u><b>3,771,018</b></u>
Fixtures and fittings, tools and equipment		2,571,312	3,846,397
Leasehold improvements		<u>4,851,413</u>	<u>4,872,158</u>
	6	<u><b>7,422,725</b></u>	<u><b>8,718,555</b></u>
Deposits	7	<u>8,629,532</u>	<u>7,667,594</u>
<b>Investments</b>		<u><b>8,629,532</b></u>	<u><b>7,667,594</b></u>
<b>Total non-current assets</b>		<u><b>22,236,358</b></u>	<u><b>20,157,167</b></u>
Inventories		<u>44,499,396</u>	<u>58,944,899</u>
<b>Inventories</b>		<u><b>44,499,396</b></u>	<u><b>58,944,899</b></u>
Trade receivables		11,778,531	12,088,912
Receivables from group entities		223,084	0
Other receivables		8,143,182	8,785,030
Deferred tax asset	8	3,398,787	2,994,637
Prepayments	9	<u>1,311,532</u>	<u>3,178,770</u>
<b>Receivables</b>		<u><b>24,855,116</b></u>	<u><b>27,047,349</b></u>
<b>Cash at bank and in hand</b>		<u><b>573,781</b></u>	<u><b>184,579</b></u>
<b>Total current assets</b>		<u><b>69,928,293</b></u>	<u><b>86,176,827</b></u>
<b>Total assets</b>		<u><u><b>92,164,651</b></u></u>	<u><u><b>106,333,994</b></u></u>

## Financial statements 1 October 2015 - 30 September 2016

### Balance sheet

	<u>Note</u>	<u>2015/16</u> DKK	<u>2014/15</u> DKK
<b>Equity and liabilities</b>			
Share capital		3,102,000	3,102,000
Retained earnings		<u>7,768,198</u>	<u>8,933,084</u>
<b>Total equity</b>	10	<u><b>10,870,198</b></u>	<u><b>12,035,084</b></u>
Other credit institutions		29,902,902	27,996,979
Trade payables		29,147,867	27,812,149
Payables to group entities		3,007,521	3,399,383
Corporation tax		79,944	0
Other payables	11	<u>19,156,219</u>	<u>35,090,399</u>
<b>Current liabilities</b>		<u><b>81,294,453</b></u>	<u><b>94,298,910</b></u>
<b>Total liabilities</b>		<u><b>81,294,453</b></u>	<u><b>94,298,910</b></u>
<b>Total equity and liabilities</b>		<u><u><b>92,164,651</b></u></u>	<u><u><b>106,333,994</b></u></u>
Contingencies	12		
Mortgages and collateral	13		
Related parties and ownership	14		

## Financial statements 1 October 2015 - 30 September 2016

### Cash flow statement

	<u>Note</u>	<u>2015/16</u> DKK	<u>2014/15</u> DKK
Net profit/loss for the year		-1,164,882	3,663,294
Adjustments		<u>4,578,996</u>	<u>6,577,587</u>
<b>Cash flows from operating activities before changes in working capital</b>		<b>3,414,114</b>	<b>10,240,881</b>
Change in inventories		14,445,503	-18,804,929
Change in receivables		2,596,384	3,235,747
Change in current liabilities		<u>-14,598,463</u>	<u>-5,354,702</u>
<b>Cash flows from operating activities</b>		<b><u>5,857,538</u></b>	<b><u>-10,683,003</u></b>
Purchase of intangible assets		-3,872,554	0
Purchase of property, plant and equipment		-3,500,395	-7,356,174
Sale of property, plant and equipment		<u>390,552</u>	<u>0</u>
<b>Cash flows from investing activities</b>		<b><u>-6,982,397</u></b>	<b><u>-7,356,174</u></b>
Changes in loan owed to group entities		<u>-391,862</u>	<u>-8,230,893</u>
<b>Cash flows from financing activities</b>		<b><u>-391,862</u></b>	<b><u>-8,230,893</u></b>
<b>Change in cash and cash equivalents</b>		<b>-1,516,721</b>	<b>-26,270,070</b>
Cash at bank and in hand		184,579	856,004
Other credit institutions		<u>-27,996,979</u>	<u>-2,398,334</u>
Cash and cash equivalents at 1 October 2015		<u>-27,812,400</u>	<u>-1,542,330</u>
<b>Cash and cash equivalents at 30 September 2016</b>		<b><u>-29,329,121</u></b>	<b><u>-27,812,400</u></b>
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		573,781	184,579
Other credit institutions		<u>-29,902,902</u>	<u>-27,996,979</u>
<b>Cash and cash equivalents at 30 September 2016</b>		<b><u>-29,329,121</u></b>	<b><u>-27,812,400</u></b>

## Financial statements 1 October 2015 - 30 September 2016

### Notes

	<u>2015/16</u>	<u>2014/15</u>
	DKK	DKK
<b>1 Staff costs</b>		
Wages and salaries	58,544,068	59,826,302
Pensions	3,187,728	3,030,044
Other social security costs	1,018,824	1,174,494
	<u><b>62,750,620</b></u>	<u><b>64,030,840</b></u>
Average number of employees	<u>164</u>	<u>161</u>

According to section 98 B(3) of the Danish Financial Statements Act, remuneration to the Executive Board has not been disclosed.

No remuneration has been paid to the Board of Directors.

	<u>2015/16</u>	<u>2014/15</u>
	DKK	DKK
<b>2 Depreciation and amortisation</b>		
Depreciation on property, plant and equipment	4,466,404	5,700,992
Amortisation on intangible assets	1,459,471	548,803
Gain/loss on disposal	71,888	0
	<u><b>5,997,763</b></u>	<u><b>6,249,795</b></u>
<b>3 Financial expenses</b>		
Interest paid to group entities	768,373	819,212
Other financial expenses	1,783,890	1,546,887
	<u><b>2,552,263</b></u>	<u><b>2,366,099</b></u>

## Financial statements 1 October 2015 - 30 September 2016

### Notes

	<u>2015/16</u>	<u>2014/15</u>
	DKK	DKK
<b>4 Tax on profit/loss for the year</b>		
Adjustments of deferred tax	-404,150	1,515,154
Adjustments of deferred tax due to changed tax rate	0	404,774
Tax on profit/loss for the year	<u>79,944</u>	<u>0</u>
	<u><b>-324,206</b></u>	<u><b>1,919,928</b></u>

### 5 Intangible assets

	<u>Software</u>	<u>Rights</u>	<u>I alt</u>
	DKK	DKK	DKK
Cost at 1 October 2015	7,931,715	3,186,664	11,118,379
Additions for the year	<u>3,637,554</u>	<u>235,000</u>	<u>3,872,554</u>
Cost at 30 September 2016	<u>11,569,269</u>	<u>3,421,664</u>	<u>14,990,933</u>
Impairment losses and amortisation at 1 October 2015	5,885,952	1,461,409	7,347,361
Amortisation for the year	<u>977,821</u>	<u>481,650</u>	<u>1,459,471</u>
Impairment losses and amortisation at 30 September 2016	<u>6,863,773</u>	<u>1,943,059</u>	<u>8,806,832</u>
<b>Carrying amount</b>			
<b>Carrying amount at 30 September 2016</b>	<u><b>4,705,496</b></u>	<u><b>1,478,605</b></u>	<u><b>6,184,101</b></u>

## Financial statements 1 October 2015 - 30 September 2016

### Notes

#### 6 Property, plant and equipment

	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
	DKK	DKK	DKK
Cost at 1 October 2015	15,891,454	21,712,113	37,603,567
Additions during the year	961,711	2,538,684	3,500,395
Disposals during the year	-390,552	-52,800	-443,352
Cost at 30 September 2016	<u>16,462,613</u>	<u>24,197,997</u>	<u>40,660,610</u>
Impairment losses and depreciation at 1 October 2015	12,045,057	16,839,955	28,885,012
Depreciation	1,948,285	2,518,120	4,466,405
Disposals	-102,041	-11,491	-113,532
Impairment losses and depreciation at 30 September 2016	<u>13,891,301</u>	<u>19,346,584</u>	<u>33,237,885</u>
<b>Carrying amount</b>			
<b>Carrying amount at 30 September 2016</b>	<u><u>2,571,312</u></u>	<u><u>4,851,413</u></u>	<u><u>7,422,725</u></u>

#### 7 Investments

	Deposits
	DKK
Cost at 1 October 2015	7,667,594
Additions for the year	961,938
Cost at 30 September 2016	<u>8,629,532</u>
<b>Carrying amount</b>	
<b>Carrying amount at 30 September 2016</b>	<u><u>8,629,532</u></u>

## Financial statements 1 October 2015 - 30 September 2016

### Notes

	<u>2015/16</u>	<u>2014/15</u>
	DKK	DKK
<b>8 Deferred tax asset</b>		
Rights	-61,084	-59,509
Inventories	250,539	45,849
Leasehold improvements	3,107,974	2,543,619
Fixtures and fittings, other plant and equipment	-307,441	303,761
Trade receivables	328,855	28,830
Tax loss carryforward	<u>0</u>	<u>132,088</u>
	<u><b>3,398,787</b></u>	<u><b>2,994,637</b></u>
<b>Deferred tax asset</b>		
Calculated tax asset	<u>3,398,787</u>	<u>2,994,637</u>
<b>Carrying amount</b>	<u><b>3,398,787</b></u>	<u><b>2,994,637</b></u>

Management has assessed the valuation of the deferred tax asset based on the Company's cash position and expectations for the future, including Management's expectations of earnings and positive cash flows. Therefore, the deferred tax asset is expected to be utilised within 5 years.

### 9 Prepayments

Prepayments comprise prepaid expenses regarding rent and insurance.

## Financial statements 1 October 2015 - 30 September 2016

### Notes

#### 10 Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 October 2015	3,102,000	8,933,080	12,035,080
Net profit/loss for the year	0	-1,164,882	-1,164,882
<b>Equity at 30 September 2016</b>	<b><u>3,102,000</u></b>	<b><u>7,768,198</u></b>	<b><u>10,870,198</u></b>

The share capital consists of 3,102 shares of a nominal value of DKK 1,000 each. No shares carry any special rights.

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

	<u>2015/16</u>	<u>2014/15</u>
	DKK	DKK
<b>11 Other payables</b>		
VAT payable	9,301,612	26,304,641
Holiday allowance	5,958,570	6,679,001
Other payables	3,896,037	2,106,757
	<b><u>19,156,219</u></b>	<b><u>35,090,399</u></b>



## Financial statements 1 October 2015 - 30 September 2016

### Notes

#### 12 Contingencies

At 30 September 2016, the Company entered into leases with a total lease obligation of DKK 737 thousand. In addition, the Company has rental obligations of DKK 42,613 thousand during the notice period until 2022.

The Company has provided an absolute guarantee against a supplier to an affiliated company.

#### 13 Mortgages and collateral

Credit facility of DKK 5 million is secured by company pledge in property, plant and equipment, inventories and trade receivables etc. Trade receivables of DKK 2.5 million has been provided as security for bank loan of 3.6 million.

#### 14 Related parties and ownership

Humac A/S' related parties comprise the following:

##### Parties exercising control

Delli Masters Ltd, Arch Makariou III, 232 Apollo Court, 1st floor, office 102, PC3030 Limasol, Cyprus, which is the principal shareholder.

##### Transactions

In 2015/16, related party transactions comprised administrative services and interest on intra-group accounts.

##### Ownership

The following shareholder is recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

Delli Masters Ltd, Arch Makariou III, 232 Apollo Court, 1st floor, office 102, PC3030 Limasol, Cyprus