

Scanavo Holding ApS
Central Business Registration No
20461640
Roskildevej 328
DK-2630 Taastrup

Annual report 2015

The Annual General Meeting adopted the annual report on 09.05.2016

Chairman of the General Meeting

Name: Tino Sølling

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Entity details

Entity

Scanavo Holding ApS
Roskildevej 328
DK-2630 Taastrup

Central Business Registration No: 20461640

Registered in: Høje Taastrup

Financial year: 01.01.2015 - 31.12.2015

Executive Board

Tino Sølling, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Scanavo Holding ApS for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Taastrup, 09.05.2016

Executive Board

Tino Sølling
CEO

Independent auditor's reports

To the owners of Scanavo Holding ApS

Report on the financial statements

We have audited the financial statements of Scanavo Holding ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity 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 as 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 about 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 judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity'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 Entity'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 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 audit 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 financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. 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 commentary is consistent with the financial statements.

Copenhagen, 09.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Jesper Blom
State Authorised Public Accountant

Allan Breiling
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The Company's principal activity comprises the sale and marketing of Media Packaging. In recent years, the Company has developed customised packaging and has subsequently taken out a patent for it. Manufacturing and implementation of new products is managed from the Company's subsidiary in Hong Kong. Today, sales are carried out in most of the world by the Company's sales companies in Europe, North America and Asia, respectively.

Development in activities and finances

The annual report for 2015 shows a profit before tax of DKK 42,027 thousand and a profit after tax of DKK 40,174 thousand, which Management finds satisfactory.

Outlook

Management is cautiously optimistic regarding earnings for the coming year.

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.

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 for these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

Accounting policies

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging the fair value of a recognised asset or a recognised liability are recorded in the income statement together with changes in the value of the hedged asset or the hedged liability.

Changes in the fair value of derivative financial instruments classified as and complying with the requirements for hedging future transactions are recognised directly in equity. When the hedged transactions are realised, the accumulated changes are recognised as part of cost of the relevant financial statement items.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Changes in the fair value of derivative financial instruments applied for hedging net investments in independent foreign subsidiaries or associates are classified directly as equity.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Referring to section 32 of the Danish Financial Statements Act, the items revenue, other operating income, and external expenses have been aggregated in the item gross profit/loss.

Revenue

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.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Amortisation, depreciation 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.

Accounting policies

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

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.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is covered by the Danish rules on compulsory joint taxation of the Scanavo Group's Danish subsidiaries. The Parent T.S. ApS is the administration company for the joint taxation and, consequently, settles all corporation tax payments with the tax authorities.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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.

Accounting policies

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:

Buildings	50 years
Plant and machinery	1-2 years
Other fixtures and fittings, tools and equipment	3-5 years
Production tools	1 year

Asset with a cost below DKK 35 thousand per unit are recognised as costs in the income statement at the date of acquisition. Leasehold improvements are expensed during the financial year.

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

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised pro rata internal profits and losses.

Upon distribution of profit or loss, net revaluation of investments in associates is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in associates are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Accounting policies

Other investments

Securities recognised under current assets comprise listed bonds and investments measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. The proposed dividend for the financial year is disclosed as a separate item in equity.

Other financial liabilities

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

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Gross loss		(33)	(59)
Depreciation, amortisation and impairment losses		<u>(87)</u>	<u>(87)</u>
Operating profit/loss		(120)	(146)
Income from investments in group enterprises		34,331	33,415
Income from investments in associates		40	979
Other financial income		7,919	13,915
Other financial expenses		<u>(143)</u>	<u>(1)</u>
Profit/loss from ordinary activities before tax		42,027	48,162
Tax on profit/loss from ordinary activities	1	<u>(1,853)</u>	<u>(3,395)</u>
Profit/loss for the year		<u>40,174</u>	<u>44,767</u>
Proposed distribution of profit/loss			
Dividend for the financial year		12,000	10,000
Reserve for net revaluation according to the equity method		34,371	34,394
Retained earnings		<u>(6,197)</u>	<u>373</u>
		<u>40,174</u>	<u>44,767</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Land and buildings		6,712	6,799
Property, plant and equipment	2	<u>6,712</u>	<u>6,799</u>
Investments in group enterprises		53,111	50,669
Investments in associates		196	1,141
Receivables from associates		225	241
Fixed asset investments	3	<u>53,532</u>	<u>52,051</u>
Fixed assets		<u>60,244</u>	<u>58,850</u>
Other short-term receivables		646	937
Income tax receivable		333	205
Receivables		<u>979</u>	<u>1,142</u>
Other investments		106,963	124,374
Other investments		<u>106,963</u>	<u>124,374</u>
Cash		<u>98,230</u>	<u>52,542</u>
Current assets		<u>206,172</u>	<u>178,058</u>
Assets		<u><u>266,416</u></u>	<u><u>236,908</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	4	150	150
Reserve for net revaluation according to the equity method		36,442	34,945
Retained earnings		215,932	188,390
Proposed dividend		<u>12,000</u>	<u>10,000</u>
Equity		<u>264,524</u>	<u>233,485</u>
Income tax payable		1,798	3,339
Other payables		<u>94</u>	<u>84</u>
Current liabilities other than provisions		<u>1,892</u>	<u>3,423</u>
Liabilities other than provisions		<u>1,892</u>	<u>3,423</u>
Equity and liabilities		<u><u>266,416</u></u>	<u><u>236,908</u></u>
Consolidation	5		

Statement of changes in equity for 2015

	Contributed capital DKK'000	Reserve for net revaluati- on accor- ding to the equity method DKK'000	Retained earnings DKK'000	Proposed dividend DKK'000	Total DKK'000
Equity beginning of year	150	34,945	188,390	10,000	233,485
Ordinary dividend paid	0	0	0	(10,000)	(10,000)
Exchange rate adjustments	0	865	0	0	865
Distributed dividends from group enterpri- ses	0	(32,765)	32,765	0	0
Distributed dividends from associates	0	(974)	974	0	0
Profit/loss for the year	0	34,371	(6,197)	12,000	40,174
Equity end of year	150	36,442	215,932	12,000	264,524

Notes

	2015	2014	
	DKK'000	DKK'000	
1. Tax on ordinary profit/loss for the year			
Current tax	1,853	3,395	
	1,853	3,395	
		Land and buildings	
		DKK'000	
2. Property, plant and equipment			
Cost beginning of year		7,323	
Cost end of year		7,323	
Depreciation and impairment losses beginning of the year		(524)	
Depreciation for the year		(87)	
Depreciation and impairment losses end of the year		(611)	
Carrying amount end of year		6,712	
	Investments	Investments	Receivables
	in group	in associates	from asso-
	enterprises	DKK'000	ciates
	DKK'000		DKK'000
3. Fixed asset investments			
Cost beginning of year	16,864	0	241
Exchange rate adjustments	0	0	(16)
Cost end of year	16,864	0	225
Revaluations beginning of year	33,805	1,141	0
Exchange rate adjustments	876	(11)	0
Share of profit/loss after tax	34,331	40	0
Dividend	(32,765)	(974)	0
Revaluations end of year	36,247	196	0
Carrying amount end of year	53,111	196	225

Notes

3. Fixed asset investments (continued)

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity interest %</u>
Subsidiaries:			
Scanavo A/S	Taastrup	A/S	100.00
Scanpeople ApS	Taastrup	ApS	51.00

	<u>Registered in</u>	<u>Corpo- rate form</u>	<u>Equity interest %</u>	<u>Equity DKK'000</u>	<u>Profit/loss DKK'000</u>
Associates:					
Scanavo North America LTD.	Alberta, Canada	Ltd.	50.00	N/A	N/A

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK'000</u>
4. Contributed capital			
A shares	13	1.00	13
B shares	138	1.00	138
	150		150

5. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Scanavo Holding ApS and its subsidiaries and associates are included in the consolidated financial statements of T.S. ApS, Central Business Reg No 25 01 95 20.