BRANDT
revision & rådgivning

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Amayse A/S

Tysklandsvej 6, 7100 Vejle

Company reg. no. 25 82 07 46

Annual report

2015/16

The annual report have been submitted and approved by the general meeting on the 15 September 2016.

Ronnie Andersen
Chairman of the meeting

Notes:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

Management's report

The board of directors and the managing director have today presented the annual report of Amayse A/S for the financial year 1 July 2015 to 30 June 2016.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 30 June 2016 and of the company's results of its activities in the financial year 1 July 2015 to 30 June 2016.

The annual report is recommended for approval by the general meeting.

Vejle, 8 September 2016

Managing Director

Kurt Henning

Board of directors

Jørn Tholstrup Rhode   Thomas Marstrand   Jørgen Jensen

Christian Søndergaard

The independent auditor's report on the annual accounts

To the shareholder of Amayse A/S

We have audited the annual accounts of Amayse A/S for the financial year 1 July 2015 to 30 June 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore, the management is responsible for such internal control considered necessary in order to prepare annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the annual accounts 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 annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of annual accounts 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 the management, as well as the overall presentation of the annual accounts.

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

The audit has not resulted in any qualification.

The independent auditor's report on the annual accounts

Opinion

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 30 June 2016 and of the results of the company's operations for the financial year 1 July 2015 to 30 June 2016 in accordance with the Danish Financial Statements Act.

Kolding, 8 September 2016

BRANDT

Company reg. no. 25 49 21 45

Jan Knudsen	Konrad Jensen-Dahm
State Authorised Public Accountant	State Authorised Public Accountant

Company data

The company	Amayse A/S Tysklandsvej 6 7100 Vejle	
	Phone	76401300
	Web site	www.amayse.com
	Company reg. no.	25 82 07 46
	Established:	1 January 2001
	Domicile:	Vejle
	Financial year:	1 July - 30 June
Board of directors	Jørn Tholstrup Rhode Thomas Marstrand Jørgen Jensen Christian Søndergaard	
Managing Director	Kurt Henning	
Auditors	BRANDT Statsautoriseret Revisionspartnerselskab Birkemose Allé 27, st. 6000 Kolding	
Bankers	Sydbank A/S	
Parent company	Amayse Investment A/S	
Subsidiaries	Amayse Ltd., UK Amayse Inc., USA	

Accounting policies used

The annual report for Amayse A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

The company is in the year merged with its former parent company LPG Holding ApS, with Amayse A/S as the continuing company.

There has been no adjustment of comparative figures because of the merger.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payable is recognised in the profit and loss account under financial income and financial costs.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Costs of sales includes costs for the purchase of raw materials and consumables less discounts and changes in inventories.

Other operating income and costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise, including gains and losses on disposal of intangible and tangible fixed assets.

Other external costs comprise costs for sales, advertisement, administration, premises, loss on debtors.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials include interest income, interest expenses, and realised and unrealised capital gains and losses on financial assets and liabilities. Net financials are recognised in the profit and loss account with the amounts concerning the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Development projects, patents, and licences

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 20 years.

Goodwill

Purchased goodwill is measured at cost with deduction of accumulated amortisation. Goodwill is amortised on a straight-line basis over the estimated financial life which is 5 years.

Tangible fixed assets

Tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life:

Other plants, operating assets, fixtures and furniture	3-5 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Accounting policies used

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

In connection with the take over of new group enterprises and associated enterprises, the consolidation method is applied, by which the taken over companies' assets and liabilities are measured at fair value at the time of take over. Provisions are made for covering costs in connection with decided restructuring projects in the taken over enterprise in connection with the take-over. The tax effect of the revaluation carried out is taken into consideration, cf. the below description of goodwill.

Positive differences (goodwill) between the acquisition value and the fair value of the assets and liabilities taken over, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over the estimated financial life. The financial life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategically taken over companies with a strong market position and a long range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Inventories

Inventories are measured at cost on basis of measured average prices. In case the net realisable value is lower than the cost, writedown takes place at this lower value.

The cost for trade goods, raw materials, and consumables comprises the acquisition cost with the addition of the delivery costs.

The net realisable value for inventories is recognised as the market price with deduction of completion costs and selling costs. The net realisable value is determined taking into consideration the negotiability, obsolescence, and development of the expected market price.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Equity - dividend

Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Amayse A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax. In the period 2014 to 2016, the corporate tax rate will be reduced gradually from 25 % to 22 %, which will affect the deferred tax liabilities and deferred tax assets. Unless a recognition with a different tax rate than 22 % will result in a significant material deviation in the estimated deferred tax liability or tax asset, deferred tax liabilities and assets are recognised by 22 %.

Accounting policies used

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

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

Profit and loss account 1 July - 30 June

All amounts in DKK.

Note		2015/16	2014/15
	Gross profit	**17.726.952**	**23.318.472**
3	Staff costs	-10.453.063	-9.505.286
	Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	-3.270.100	-997.959
	Operating profit	**4.003.789**	**12.815.227**
	Income from equity investments in group enterprises	9.683.004	0
	Other financial income from group enterprises	0	197.396
	Other financial income	44.544	585.583
4	Other financial costs	-3.209.934	-163.934
	Results before tax	**10.521.403**	**13.434.272**
5	Tax on ordinary results	-672.408	-3.157.019
	Results for the year	**9.848.995**	**10.277.253**
	Proposed distribution of the results:		
	Reserves for net revaluation as per the equity method	9.683.004	0
	Dividend for the financial year	0	10.200.000
	Allocated to results brought forward	165.991	77.253
	Distribution in total	**9.848.995**	**10.277.253**

Balance sheet 30 June

All amounts in DKK.

Note	Assets	2016	2015
	Fixed assets		
	Acquired concessions, patents, licenses, trademarks and similar rights	99.000	121.000
	Goodwill	33.958.071	93.118
	Intangible fixed assets in total	34.057.071	214.118
	Other plants, operating assets, and fixtures and furniture	4.021.300	339.079
	Tangible fixed assets in total	4.021.300	339.079
6	Equity investments in group enterprises	62.896.025	0
	Other debtors	606.351	588.690
	Financial fixed assets in total	63.502.376	588.690
	Fixed assets in total	**101.580.747**	**1.141.887**
	Current assets		
	Raw materials and consumables	1.976.992	1.296.951
	Manufactured goods and trade goods	377.911	53.149
	Inventories in total	2.354.903	1.350.100
	Trade debtors	1.888.869	2.429.403
	Amounts owed by group enterprises	773.610	15.847.360
	Deferred tax assets	1.407	107.397
	Other debtors	557.143	801.369
	Accrued income and deferred expenses	214.836	194.341
	Debtors in total	3.435.865	19.379.870
	Available funds	1.676.836	9.049.727
	Current assets in total	**7.467.604**	**29.779.697**
	Assets in total	**109.048.351**	**30.921.584**

Balance sheet 30 June

All amounts in DKK.

Equity and liabilities

Note		2016	2015
	Equity		
7	Contributed capital	500.000	500.000
8	Reserves for net revaluation as per the equity method	24.903.021	0
9	Results brought forward	14.601.718	6.900.515
10	Proposed dividend for the financial year	0	10.200.000
	Equity in total	**40.004.739**	**17.600.515**
	Liabilities		
	Bank debts	43.642.084	123.016
	Prepayments received from customers	812.557	574.045
	Trade creditors	2.001.169	787.828
	Debt to group enterprises	19.312.395	7.428.790
	Corporate tax	1.442.632	2.995.349
	Other debts	1.832.775	1.412.041
	Short-term liabilities in total	69.043.612	13.321.069
	Liabilities in total	**69.043.612**	**13.321.069**
	Equity and liabilities in total	**109.048.351**	**30.921.584**

11 Contingencies

12 Related parties

Notes

All amounts in DKK.

1. The significant activities of the enterprise

As in previous years the mailn activity has comprised the sale and installation of 3D CamCarpets on different materials for sporting events at home and abroad.

2. Special matters in the annual report

The company is in the year merged with its former parent company LPG Holding ApS, with Amayse A/S as the continuing company.

There has been no adjustment of comparative figures because of the merger.

	2015/16	2014/15
3. Staff costs		
Salaries and wages	9.340.711	8.464.807
Pension costs	1.042.833	972.439
Other costs for social security	69.519	68.040
	10.453.063	**9.505.286**
Average number of employees	21	21

	2015/16	2014/15
4. Other financial costs		
Financial costs, group enterprises	34.159	86.569
Other financial costs	3.175.775	77.365
	3.209.934	**163.934**

	2015/16	2014/15
5. Tax on ordinary results		
Tax of the result for the year	555.257	3.143.624
Adjustment for the year of deferred tax	117.151	13.395
	672.408	**3.157.019**

Notes

All amounts in DKK.

	30/6 2016	30/6 2015

6. Equity investments in group enterprises

Group enterprises:

	Domicile	**Share of ownership**
Amayse Ltd.	UK	100 %
Amayse Inc.	USA	100 %

7. Contributed capital

	30/6 2016	30/6 2015
Contributed capital opening balance	500.000	500.000
	500.000	**500.000**

The share capital consists of shares, each with a nominal value of DKK 1,000. No shares hold particular rights.

8. Reserves for net revaluation as per the equity method

	30/6 2016	30/6 2015
Additions by merger	16.948.564	0
Profit share	9.683.004	0
Exchange rate adjustment	-1.728.547	0
	24.903.021	**0**

9. Results brought forward

	30/6 2016	30/6 2015
Results brought forward opening balance	6.900.515	6.823.262
Additions by merger	7.535.212	0
Profit or loss for the year brought forward	165.991	77.253
	14.601.718	**6.900.515**

10. Proposed dividend for the financial year

	30/6 2016	30/6 2015
Dividend opening balance	10.200.000	6.000.000
Distributed dividend	-10.200.000	-6.000.000
Dividend for the financial year	0	10.200.000
	0	**10.200.000**

Notes

All amounts in DKK.

11. Contingencies

Joint taxation

Amayse Investment A/S, company reg. no 36 46 39 45 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

12. Related parties

Ownership

According to the company's list of shareholders, the following shareholders own a minimum of 5 % of the voting rights or a minimum of 5 % of the share capital:

Amayse Investment A/S, Jægersborg Alle 4, 5., 2920 Charlottenlund