

Smarttec Nordic A/S

Rugvænget 19 B, 2630 Taastrup

Company reg. no. 28 68 71 68

Annual report

1 January - 31 December 2015

The annual report have been submitted and approved by the general meeting on the 24 May 2016.

Lars Bøndergaard
Chairman of the meeting

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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 %.

Management's report

The board of directors and the managing director have today presented the annual report of Smarttec Nordic A/S for the financial year 1 January to 31 December 2015.

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 31 December 2015 and of the company's results of its activities in the financial year 1 January to 31 December 2015.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

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

Taastrup, 12 May 2016

Managing Director

Lars Bøndergaard

Board of directors

Frank Wiethüchter

Roland Feuser

Lars Holst-Jørgensen

Lars Bøndergaard

The independent auditor's reports

To the shareholders of Smarttec Nordic A/S

Report on the annual accounts

We have audited the annual accounts of Smarttec Nordic A/S for the financial year 1 January to 31 December 2015, 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 as it determines 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 reports

Opinion

In our opinion, the annual accounts 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 to 31 December 2015 in accordance with the Danish Financial Statements Act.

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 annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the annual accounts.

Copenhagen, 12 May 2016

BUUS JENSEN

State Authorised Public Accountants

Arne Sørensen

State Authorised Public Accountant

Company data

The company

Smarttec Nordic A/S
Rugvænget 19 B
2630 Taastrup

Company reg. no. 28 68 71 68
Established: 15 April 2005
Domicile: Høje Taastrup
Financial year: 1 January - 31 December

Board of directors

Frank Wiethüchter
Roland Feuser
Lars Holst-Jørgensen
Lars Bøndergaard

Managing Director

Lars Bøndergaard

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Management's review

The significant activities of the enterprise

The Company's main activity is trading and distribution with production equipment and related process related Consumer products for the manufacture of electronic products.

Unusual matters

No unusual activities occurred in 2015 to affect the annual report.

Uncertainties in relation to recognition and measurement

There have been no material uncertainty that has affected recognition and measurement.

Development in activities and financial affairs

The results from ordinary activities after tax are DKK 780.092 against DKK -107.382 last year.

2015 has met the expectations. Profits for the year as expected and in line with the budgeted which management still considers satisfactory.

The activities of the individual markets have been satisfactory.

The company's capital is with this result now restored.

The positive trend that appeared in 2015 has continued. Management expects results in line with the budget for 2016.

Events subsequent to the end of the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Accounting policies used

The annual report for Smarttec Nordic 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).

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 loose 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.

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.

Accounting policies used

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

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.

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 balance sheet

Intangible fixed assets

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 7 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 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
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Accounting policies used

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.

Inventories

Inventories are measured at cost on basis of the FIFO method. In case the net realisable value of the inventories is lower than the cost, writedown takes place to this lower value.

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

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.

Available funds

Available funds comprise cash at bank and in hand.

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.

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 %.

Liabilities

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

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2015</u>	<u>2014</u>
Gross profit	5.318.632	4.325.498
1 Staff costs	-3.973.469	-4.118.399
Depreciation, amortisation and writedown relating to tangible and intangible fixed assets	<u>-102.088</u>	<u>-132.519</u>
Operating profit	1.243.075	74.580
Other financial income	0	3.918
2 Other financial costs	<u>-209.600</u>	<u>-199.880</u>
Results before tax	1.033.475	-121.382
3 Tax on ordinary results	<u>-253.383</u>	<u>14.000</u>
Results for the year	<u>780.092</u>	<u>-107.382</u>
Proposed distribution of the results:		
Allocated to results brought forward	780.092	0
Allocated from results brought forward	<u>0</u>	<u>-107.382</u>
Distribution in total	<u>780.092</u>	<u>-107.382</u>

Balance sheet 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2015</u>	<u>2014</u>
Fixed assets			
4	Goodwill	128.572	185.715
	Intangible fixed assets in total	<u>128.572</u>	<u>185.715</u>
5	Other plants, operating assets, and fixtures and furniture	34.730	79.675
	Tangible fixed assets in total	<u>34.730</u>	<u>79.675</u>
	Fixed assets in total	<u>163.302</u>	<u>265.390</u>
Current assets			
	Manufactured goods and trade goods	2.126.353	2.482.214
	Inventories in total	<u>2.126.353</u>	<u>2.482.214</u>
	Trade debtors	11.690.718	4.211.262
	Deferred tax assets	26.500	45.000
	Other debtors	82.000	128.731
	Accrued income and deferred expenses	255.533	0
	Debtors in total	<u>12.054.751</u>	<u>4.384.993</u>
	Cash funds	<u>67.704</u>	<u>173.788</u>
	Current assets in total	<u>14.248.808</u>	<u>7.040.995</u>
	Assets in total	<u>14.412.110</u>	<u>7.306.385</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2015</u>	<u>2014</u>
Equity			
6	Contributed capital	500.000	500.000
7	Results brought forward	107.112	-672.980
	Equity in total	<u>607.112</u>	<u>-172.980</u>
Liabilities			
	Subordinate loan capital	786.363	836.948
	Long-term liabilities in total	<u>786.363</u>	<u>836.948</u>
	Bank debts	580.900	1.185.230
	Trade creditors	8.517.273	4.211.232
	Debt to associated enterprises	447.750	460.306
	Corporate tax	234.883	0
	Other debts	3.237.829	785.649
	Short-term liabilities in total	<u>13.018.635</u>	<u>6.642.417</u>
	Liabilities in total	<u>13.804.998</u>	<u>7.479.365</u>
	Liabilities in total	<u>14.412.110</u>	<u>7.306.385</u>
9 Mortgage and securities			
10 Contingencies			

Notes

All amounts in DKK.

	<u>2015</u>	<u>2014</u>
1. Staff costs		
Salaries and wages	3.878.964	4.067.043
Other costs for social security	79.120	40.822
Other staff costs	<u>15.385</u>	<u>10.534</u>
	<u>3.973.469</u>	<u>4.118.399</u>
Average number of employees	<u>6</u>	<u>7</u>
2. Other financial costs		
Interest, group enterprises	28.860	35.962
Other interest costs	<u>180.740</u>	<u>163.918</u>
	<u>209.600</u>	<u>199.880</u>
3. Tax on ordinary results		
Tax of the results for the year	234.883	0
Adjustment for the year of deferred tax	<u>18.500</u>	<u>-14.000</u>
	<u>253.383</u>	<u>-14.000</u>
4. Goodwill		
Cost 1 January 2015	<u>475.000</u>	<u>475.000</u>
Cost 31 December 2015	<u>475.000</u>	<u>475.000</u>
Amortisation and writedown 1 January 2015	-289.285	-232.142
Amortisation and writedown for the year	<u>-57.143</u>	<u>-57.143</u>
Amortisation and writedown 31 December 2015	<u>-346.428</u>	<u>-289.285</u>
Book value 31 December 2015	<u>128.572</u>	<u>185.715</u>

Notes

All amounts in DKK.

	<u>31/12 2015</u>	<u>31/12 2014</u>		
5. Other plants, operating assets, and fixtures and furniture				
Cost 1 January 2015	842.850	793.236		
Additions during the year	<u>0</u>	<u>49.614</u>		
Cost 31 December 2015	<u>842.850</u>	<u>842.850</u>		
Amortisation and writedown 1 January 2015	-763.175	-687.799		
Depreciation and writedown for the year	<u>-44.945</u>	<u>-75.376</u>		
Amortisation and writedown 31 December 2015	<u>-808.120</u>	<u>-763.175</u>		
Book value 31 December 2015	<u>34.730</u>	<u>79.675</u>		
6. Contributed capital				
Contributed capital 1 January 2015	<u>500.000</u>	<u>500.000</u>		
	<u>500.000</u>	<u>500.000</u>		
<p>The share capital consists of 500 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.</p>				
7. Results brought forward				
Results brought forward 1 January 2015	-672.980	-565.598		
Profit or loss for the year brought forward	<u>780.092</u>	<u>-107.382</u>		
	<u>107.112</u>	<u>-672.980</u>		
8. Liabilities				
	Instalments	Outstanding	Debt in total	Debt in total
	first year	debt after	31 Dec 2015	31 Dec 2014
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Subordinate loan capital	<u>0</u>	<u>786.363</u>	<u>786.363</u>	<u>836.948</u>
	<u>0</u>	<u>786.363</u>	<u>786.363</u>	<u>836.948</u>

Notes

All amounts in DKK.

9. Mortgage and securities

There are to businesspartners given guarantees of TDKK 75.

As the collateral for the bank facilities the company has issued a company mortgage of TDKK 1.550.

10. Contingencies

Contingent liabilities

The company has leased premises until notice which amounts to TDKK 90