Tel.: +45 89 30 78 00
aarhus@bdo.dk
www.bdo.dk

BDO Statsautoriseret revisionsaktieselskab
Kystvejen 29
DK-8000 Aarhus C
CVR no. 20 22 26 70

HEMONTO A/S

ÅBOULEVARDEN 21, 8000 DK-AARHUS C

ANNUAL REPORT

1. JANUAR - 31. DECEMBER 2016

The Annual Report has been presented and adopted at the Company's Annual General Meeting on 20 February 2017

Dirigent Henning Svane

CVR NO. 29 83 93 95

CONTENTS

COMPANY DETAILS

Company	Hemonto A/S Åboulevarden 21 8000 DK-Aarhus C	
	Website:	www.hemonto.com
	E-mail:	info@hemonto.com
	CVR no.:	29 83 93 95
	Established:	30 August 2006
	Registered Office:	Aarhus
	Financial Year:	1 January - 31 December
Board of Directors	Lasse Dehn-Baltzer, Chairman Henning Svane Martin Høyer-Hansen	
Board of Executives	Henning Svane	
Auditor	BDO Statsautoriseret revisionsaktieselskab Kystvejen 29 8000 Aarhus C	
Bank	Danske Bank Kannikegade 4-6 8000 Aarhus C	
Law Firm	DELACOUR Åboulevarden 13 DK-8000 Aarhus C	

STATEMENT BY BOARD OF DIRECTORS AND BOARD OF EXECUTIVES

Today the Board of Directors and Board of Executives have discussed and approved the Annual Report of Hemonto A/S for the year 1 January - 31 December 2016.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the the Company's financial position at 31 December 2016 and of the results of the the Company's operations for the financial year 1 January - 31 December 2016.

The Management's Review includes in our opinion a fair presentation of the matters dealt with in the review.

We recommend the Annual Report be approved at the Annual General Meeting.

Aarhus, den 23. januar 2017

Board of Executives

Henning Svane

Board of Directors

Lasse Dehn-Baltzer Chairman	Henning Svane	Martin Høyer-Hansen

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Hemonto A/S

Opinion
We have audited the Financial Statements of Hemonto A/S for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility for the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

INDEPENDENT AUDITOR'S REPORT

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of Management's Review.

Aarhus, 23 January 2017

BDO Statsautoriseret revisionsaktieselskab
CVR-nr. 20 22 26 70

Niels Balshøj
State Authorised Public Accountant

MANAGEMENT'S REVIEW

Principal activities
The company's main objective is consulting services and the provision of accounting and reporting function about securities and financial instruments, including controlling for the company's clients.

Development in activities and financial position
The results of the company are considered satisfactory.
In 2017 the company expects a positive result for the year.

Significant events after the end of the financial year
January 1st the company opened a new office on Svanemøllevej 16A in Copenhagen.
No events have occurred after the end of the financial year of material importance for the company's financial position.

INCOME STATEMENT 1 JANUARY - 31 DECEMBER

	Note	2016 DKK	2015 DKK
GROSS PROFIT		**14.340.034**	**13.732.552**
Staff costs	1	-10.523.639	-8.913.892
Depreciation, amortisation and impairment		-436.353	-292.098
OPERATING PROFIT		**3.380.042**	**4.526.562**
Other financial income	2	103	44.506
Other financial expenses		-1.977	-1.137
PROFIT BEFORE TAX		**3.378.168**	**4.569.931**
Tax on profit/loss for the year	3	-705.539	-1.063.346
PROFIT FOR THE YEAR		**2.672.629**	**3.506.585**

PROPOSED DISTRIBUTION OF PROFIT

		2016	2015
Proposed dividend for the year		2.670.000	3.500.000
Accumulated profit		2.629	6.585
TOTAL		**2.672.629**	**3.506.585**

BALANCE SHEET AT 31 DECEMBER

ASSETS	Note	2016 DKK	2015 DKK
Software		898.978	926.734
Intangible fixed assets	4	**898.978**	**926.734**
Other plant and operating equipment		368.152	0
Tangible fixed assets	5	**368.152**	**0**
Rent deposit		319.994	310.674
Fixed asset investments	6	**319.994**	**310.674**
FIXED ASSETS		**1.587.124**	**1.237.408**
Trade receivables		1.102.980	849.893
Other receivables		158.750	0
Prepayments and accrued income		174.596	143.942
Receivables		**1.436.326**	**993.835**
Cash and cash equivalents		**6.974.429**	**9.346.340**
CURRENT ASSETS		**8.410.755**	**10.340.175**
ASSETS		**9.997.879**	**11.577.583**

BALANCE SHEET AT 31 DECEMBER

EQUITY AND LIABILITIES	Note	2016 DKK	2015 DKK
Share capital		2.500.000	2.500.000
Retained profit		2.010.503	2.007.874
Proposed dividend		2.670.000	3.500.000
EQUITY	7	**7.180.503**	**8.007.874**
Provision for deferred tax		213.002	201.129
PROVISION FOR LIABILITIES		**213.002**	**201.129**
Trade payables		92.838	75.059
Corporation tax		639.280	929.190
Other liabilities		1.736.222	2.208.897
Accrualt and deferred income		136.034	155.434
Current liabilities		**2.604.374**	**3.368.580**
LIABILITIES		**2.604.374**	**3.368.580**
EQUITY AND LIABILITIES		**9.997.879**	**11.577.583**

Contingencies etc.	8
Charges and securities	9
Related parties	10

NOTES

	2016 DKK	2015 DKK	Note
Staff costs			1
Average number of employees 19 (2015: 17)			
Wages and salaries	9.633.175	8.276.043	
Pensions	822.836	523.447	
Social security costs	67.628	114.402	
	10.523.639	**8.913.892**	
Other financial income			2
Interest, group enterprices	0	37.878	
Other interest income	103	6.628	
	103	**44.506**	
Tax on profit/loss for the year			3
Calculated tax on taxable income of the year	690.206	929.190	
Adjustment of tax previous years	3.460	0	
Adjustment of deferred tax	11.873	134.156	
	705.539	**1.063.346**	

Intangible fixed assets	Software	4
Cost at 1 January 2016	1.970.351	
Additions	390.369	
Cost at 31 December 2016	**2.360.720**	
Amortisation at 1 January 2016	1.043.616	
Depreciation for the year	418.126	
Depreciation at 31 December 2016	**1.461.742**	
Carrying amount at 31 December 2016	**898.978**	

Tangible fixed assets	Other plant and operating equipment	5
Additions	386.380	
Cost at 31 December 2016	**386.380**	
Depreciation and write-down at 1 January 2016	1	
Depreciation for the year	18.227	
Depreciation and write-down at 31 December 2016	**18.228**	
Carrying amount at 31 December 2016	**368.152**	

NOTES

		Note
Fixed asset investments		**6**
	Rent deposit	
Cost at 1 January 2016	310.674	
Additions	9.320	
Cost at 31 December 2016	**319.994**	
Carrying amount at 31 December 2016	**319.994**	

Equity — 7

	Share capital	Retained profit	Proposed dividend	Total
Equity at 1 January 2016	2.500.000	2.007.874	3.500.000	8.007.874
Dividend paid			-3.500.000	-3.500.000
Proposed distribution of profit		2.629	2.670.000	2.672.629
Equity at 31 December 2016	**2.500.000**	**2.010.503**	**2.670.000**	**7.180.503**

Contingencies etc. — 8

Operating lease
The company has signed leases for copiers. The contracts have a remaining maturity of 10 month with a total remaining lease payment of 23 thousand DKK.

Rents obligation
The Company has entered into rent obligation in the balance sheet date totaled 2.228 thousand DKK in the non-cancelable period.

Joint liabilities
The company is jointly and severally liable together with the parent company and the other group companies in the jointly taxed group for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax and royalty tax, and for the joint registration of VAT.

Tax payable of the group's jointly taxed income is stated in the annual report of Algot Invest ApS, which serves as management company for the joint taxation.

Charges and securities — 9

None.

Related parties — 10

Hemonto Group Holding ApS has **controlling interest**

Other related parties having performed transactions with the company
The company's related parties having a significant influence comprise subsidiaries and associates as well as the companies' Board of Directors, Board of Executives and executive officers and their relatives. Related parties include also companies in which the above mentioned group of persons has material interests.

Transactions with related parties
The company did not carry out any substantial transactions that were not concluded on market conditions.

ACCOUNTING POLICIES

The annual report of Hemonto A/S for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act for enterprises in reporting class B.

The Annual Report is prepared consistently with the accounting principles used last year.

INCOME STATEMENT

Net revenue
Net revenue from sale of merchandise and finished goods is recognised in the Income Statement if supply and risk transfer to purchaser has taken place before the end of the year and if the income can be measured reliably and is expected to be received. Net revenue is recognised exclusive of VAT, duties and less discounts related to the sale.

Other external expenses
Other external expenses include cost of sales, advertising, administration, buildings, bad debts, operational lease expenses, etc.

Staff costs
Staff costs comprise wages and salaries, including holiday pay and pensions and other costs for social security etc. for the company's employees. Repayments from public authorities are deducted from staff costs.

Financial income and expenses in general
Financial income and expenses include interest income and expenses, financial expenses of finance leases, realised and unrealised gains and losses arising from investments in financial assets, debt and transactions in foreign currencies, amortisation of financial assets and liabilities as well as charges and allowances under the tax-on-account scheme etc. Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

Tax on profit for the year
The tax for the year, which consists of the current tax for the year and changes in deferred tax, is recognised in the income statement by the portion that may be attributed to the profit for the year, and is recognised directly in the equity by the portion that may be attributed to entries directly to the equity.

BALANCE SHEET

Intangible fixed assets
Software is measured at cost less accumulated amortisation. Software is amortised on a straight-line basis over the expected useful life which is estimated to 3 years. The period of amortisation is determined based on an assessment of the acquired company's position in the market and earnings profile, and the industry-specific conditions.

Profit or loss from sale of intangible fixed assets is calculated at the difference between the sales price and the carrying amount at the time of the sale. Profit and loss are recognised in the Income Statement under other operating income or other operating expenses.

Tangible fixed assets
Production plant and machinery, other plants, fixtures and equipment are measured at cost less accumulated depreciation and write-down.

The depreciation base is cost less estimated residual value after end of useful life.

The cost includes the acquisition price and costs incurred directly in connection with the acquisition until the time when the asset is ready to be used. As regards self-manufactured assets, the cost price includes cost of materials, components, subcontractors, direct payroll and indirect production costs.

ACCOUNTING POLICIES

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value:

	Useful life	Residual value
Other plants, fixtures and equipment..	3-5 years	0-30 %

Profit or loss on disposal of tangible fixed assets is stated as the difference between the sales price less selling costs and the carrying amount at the time of sale. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Profit or loss on disposal of tangible fixed assets is stated at the difference between selling price less selling costs and the carrying amount at the time of sale. Profits or losses are recognised in the income statement.

Fixed asset investments
Deposits include rental deposits which are recognised and measured at amortised cost. Deposits are not depreciated.

Impairment of fixed assets
The carrying amount of intangible and tangible fixed assets together with investments, which are not measured at fair value, are valued on an annual basis for indications of impairment other than that reflected by amortisation and depreciation.

In the event of impairment indications, an impairment test is made for each asset or group of assets, respectively. If the net realisable value is lower than the carrying amount, write-down is provided to the lower value.

The recoverable amount is calculated at the higher of net selling price and capital value. The capital value is determined as the fair value of the expected net cash flows from the use of the asset or group of assets and the expected net cash flows from sale of the asset or group of assets after the end of its useful life.

Receivables
Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down to meet expected losses.

Accruals, assets
Accruals recognised as assets include costs incurred relating to the subsequent financial year.

Cash and cash equivalents
Primarily include cash bank.

ACCOUNTING POLICIES

Tax payable and deferred tax
Current tax liabilities and receivable current tax are recognised in the balance sheet as the calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and taxes paid on account.

The Company is subject to joint taxation with Danish group companies. The current corporation tax is distributed among the joint taxable companies in proportion to their taxable income and with full allocation and refund related to tax losses. The joint taxable companies are included in the on account tax scheme. Joint taxation contributions receivable and payable are recognised in the Balance Sheet under current assets and liabilities, respectively.

Deferred tax is measured on the temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by set-off against tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. Any changes in the deferred tax resulting from changes in tax rates, are recognised in the income statement, except from items recognised directly in equity.

Liabilities
Financial liabilities are recognised at the time of borrowing by the amount of proceeds received less borrowing costs. In subsequent periods, the financial liabilities are measured at amortised cost equal to the capitalised value when using the effective interest, the difference between the proceeds and the nominal value being recognised in the income statement over the term of loan.

Other liabilities are measured at amortised cost equal to nominal value.

Accruals, liabilities
Accruals recognised as liabilities include payments received regarding income in subsequent years.

Foreign currency translation
Transactions in foreign currencies are translated at the rate of exchange on the transaction date. Exchange differences arising between the rate on the transaction date and the rate on the payment date are recognised in the income statement as a financial income or expense.

If the foreign exchange position is considered to hedge future cash flows, the unrealised exchange adjustments are recognised directly in the equity.

Receivables, payables and other monetary items in foreign currencies that are not settled on the balance sheet date are translated at the exchange rate on the balance sheet date. The difference between the exchange rate on the balance sheet date and the exchange rate at the time of occurrence of the receivables or payables is recognised in the income statement as financial income or expenses.

Fixed assets acquired in foreign currencies are translated at the rate of exchange on the transaction date.