

Sistema Scandinavia ApS
Central Business Registration No
30541359
Maglemølle 93, 1
4700 Næstved

Annual report 2015

The Annual General Meeting adopted the annual report on 04.04.2016

Chairman of the General Meeting



Name: Brian Allan Hansen

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Entity details

Entity

Sistema Scandinavia ApS

Maglemølle 93, 1

4700 Næstved

Central Business Registration No: 30541359

Registered in: Næstved

Financial year: 01.01.2015 - 31.12.2015

Executive Board

Maja Meisner Larsen

Brian Allan Hansen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Kindhestegade 4-6

4700 Næstved

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Sistema Scandinavia 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 our 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.

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

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

Næstved, 04.04.2016

Executive Board



Maja Meisner Larsen



Brian Allan Hansen

Independent auditor's reports

To the owners of Sistema Scandinavia ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Sistema Scandinavia ApS for the financial year 1 January to 31 December 2015. The financial statements, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity Sistema Scandinavia ApS and notes, 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. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and the ethical rules of FSR – Danish Auditors and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

The extended review has not resulted in any qualification.

Opinion

Based on our extended review, in our 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 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

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 extended review 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.

Næstved, 04.04.2016

Deloitte

Statsautoriseret Revisionspartnerselskab


Jacob Simonsen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The objective of the Entity is import and sale of goods.

Development in activities and finances

The income statement of the Entity for 2015 shows a profit of DKK 882k. Positiv and improved results are expected for the coming years.

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.

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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income, cost of raw materials and consumables and external expenses.

Accounting policies

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Other external expenses

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

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

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.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, 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, 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.

Accounting policies

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 jointly taxed with all Danish subsidiaries, under MB Group Holding ApS. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

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.

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:

| | |
|--|---------|
| Other fixtures and fittings, tools and equipment | 5 years |
|--|---------|

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

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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</u> | <u>2014 DKK</u> |
|--|--------------|-----------------------|-----------------------|
| Gross profit | | 4.025.875 | 2.809.011 |
| Staff costs | 1 | (2.277.858) | (1.503.515) |
| Depreciation, amortisation and impairment losses | 2 | <u>(38.550)</u> | <u>(9.260)</u> |
| Operating profit/loss | | 1.709.467 | 1.296.236 |
| Other financial income from group enterprises | | 345 | 0 |
| Other financial income | 3 | 44.762 | 35.462 |
| Other financial expenses | 4 | <u>(578.973)</u> | <u>(305.292)</u> |
| Profit/loss from ordinary activities before tax | | 1.175.601 | 1.026.406 |
| Tax on profit/loss from ordinary activities | 5 | <u>(293.865)</u> | <u>(256.533)</u> |
| Profit/loss for the year | | <u>881.736</u> | <u>769.873</u> |
| Proposed distribution of profit/loss | | | |
| Retained earnings | | <u>881.736</u> | <u>769.873</u> |
| | | <u>881.736</u> | <u>769.873</u> |

Balance sheet at 31.12.2015

| | <u>Notes</u> | <u>2015 DKK</u> | <u>2014 DKK</u> |
|--|--------------|---------------------|---------------------|
| Other fixtures and fittings, tools and equipment | | 167.990 | 114.340 |
| Property, plant and equipment | 6 | <u>167.990</u> | <u>114.340</u> |
| Fixed assets | | <u>167.990</u> | <u>114.340</u> |
| Manufactured goods and goods for resale | | 6.764.119 | 2.572.248 |
| Prepayments for goods | | 312.211 | 0 |
| Inventories | | <u>7.076.330</u> | <u>2.572.248</u> |
| Trade receivables | | 3.563.241 | 1.598.733 |
| Receivables from group enterprises | | 69.226 | 0 |
| Deferred tax assets | 7 | 24.000 | 14.000 |
| Other short-term receivables | | 129.910 | 79.981 |
| Prepayments | | 83.442 | 105.154 |
| Receivables | | <u>3.869.819</u> | <u>1.797.868</u> |
| Cash | | <u>153.124</u> | <u>85.593</u> |
| Current assets | | <u>11.099.273</u> | <u>4.455.709</u> |
| Assets | | <u>11.267.263</u> | <u>4.570.049</u> |

Balance sheet at 31.12.2015

| | <u>Notes</u> | <u>2015 DKK</u> | <u>2014 DKK</u> |
|--|--------------|---------------------------------|--------------------------------|
| Contributed capital | 8 | 125.000 | 125.000 |
| Retained earnings | | <u>1.824.884</u> | <u>943.148</u> |
| Equity | | <u>1.949.884</u> | <u>1.068.148</u> |
| | | | |
| Bank loans | | 6.716.499 | 1.715.314 |
| Trade payables | | 823.271 | 587.710 |
| Income tax payable | | 314.804 | 270.426 |
| Other payables | | <u>1.462.805</u> | <u>928.451</u> |
| Current liabilities other than provisions | | <u>9.317.379</u> | <u>3.501.901</u> |
| | | | |
| Liabilities other than provisions | | <u>9.317.379</u> | <u>3.501.901</u> |
| | | | |
| Equity and liabilities | | <u><u>11.267.263</u></u> | <u><u>4.570.049</u></u> |
| | | | |
| Unrecognised rental and lease commitments | 9 | | |
| Contingent liabilities | 10 | | |
| Assets charged and collateral | 11 | | |

Statement of changes in equity for 2015

| | Contributed capital DKK | Retained ear- nings DKK | Total DKK |
|---------------------------|--|--|----------------------|
| Equity beginning of year | 125.000 | 943.148 | 1.068.148 |
| Profit/loss for the year | 0 | 881.736 | 881.736 |
| Equity end of year | 125.000 | 1.824.884 | 1.949.884 |

Notes

| | 2015 | 2014 |
|--|------------------|------------------|
| | DKK | DKK |
| 1. Staff costs | | |
| Wages and salaries | 2.003.022 | 1.356.289 |
| Pension costs | 111.641 | 66.041 |
| Other social security costs | 64.546 | 47.145 |
| Other staff costs | 98.649 | 34.040 |
| | 2.277.858 | 1.503.515 |
| | | |
| | 2015 | 2014 |
| | DKK | DKK |
| 2. Depreciation, amortisation and impairment losses | | |
| Depreciation of property, plant and equipment | 38.550 | 9.260 |
| | 38.550 | 9.260 |
| | | |
| | 2015 | 2014 |
| | DKK | DKK |
| 3. Other financial income | | |
| Interest income | 1.920 | 5.492 |
| Exchange rate adjustments | 42.842 | 29.970 |
| | 44.762 | 35.462 |
| | | |
| | 2015 | 2014 |
| | DKK | DKK |
| 4. Other financial expenses | | |
| Interest expenses | 245.645 | 125.361 |
| Exchange rate adjustments | 255.008 | 136.538 |
| Other financial expenses | 78.320 | 43.393 |
| | 578.973 | 305.292 |
| | | |
| | 2015 | 2014 |
| | DKK | DKK |
| 5. Tax on ordinary profit/loss for the year | | |
| Current tax | 303.865 | 260.533 |
| Change in deferred tax for the year | (10.000) | (4.000) |
| | 293.865 | 256.533 |

Notes

| | | Other fixtures and fittings, tools and equipment DKK |
|--|----------------|---|
| 6. Property, plant and equipment | | |
| Cost beginning of year | | 123.600 |
| Additions | | 92.200 |
| Cost end of year | | 215.800 |
| Depreciation and impairment losses beginning of the year | | (9.260) |
| Depreciation for the year | | (38.550) |
| Depreciation and impairment losses end of the year | | (47.810) |
| Carrying amount end of year | | 167.990 |
| | 2015 | 2014 |
| | DKK | DKK |
| 7. Deferred tax | | |
| Property, plant and equipment | (4.000) | (1.000) |
| Other deductible temporary differences | 28.000 | 15.000 |
| | 24.000 | 14.000 |
| | Number | Par value DKK |
| | DKK | Nominal value DKK |
| 8. Contributed capital | | |
| Share kapital | 125 | 1.000,00 |
| | 125 | 125.000 |
| | 2015 | 2014 |
| | DKK | DKK |
| 9. Unrecognised rental and lease commitments | | |
| Commitments under rental agreements or leases until expiry | 249.400 | 370.600 |

10. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which MB Group ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2015 for income taxes etc for the jointly taxed companies, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

Notes

11. Assets charged and collateral

Bank debt is secured on a receivables charge of DKK 6.000k secured on receivables of a carrying amount of DKK 3.563k.

The Entity's banker has provided total guarantees of DKK 388k for its commitments to third parties.