

Handelsselskabet af 1. september 2008 ApS

CVR-nr. 31 75 24 42

**Høfdingsvej 34, 2 Sal
DK-2500 Valby**

Annual Report 2015/16 **(Financial year 1 July 2015 - 30 June 2016)**

The Annual Report is presented and
adopted at the Annual General Meeting
of shareholders on the 30. december
2016

Jaron Kramarz Cohen
Dirigent

Content

	<u>Side</u>
Statements and Reports	
Management's Statement	1
Independent Auditor's Reports	2
Management's Review	
Corporate information	5
Management's Review	6
Financial Statements	
Income Statement	7
Balance Sheet	8
Notes	10
Accounting policies	13

Management's Statement

The Supervisory Board and the Executive Board have today considered and approved the Annual Report of 1 July 2015 - 30 June 2016 for the financial year 2016.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the Company's assets and liabilities, financial position and results of operations for the financial year ended 30 June 2016

In our opinion the Management's Review gives a true and fair statement regarding the content in the Management's Review.

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

Copenhagen, 30. december 2016

Executive Board:

Jaron Kramarz Cohen

Board of Directors:

Andrew John Dingle

Carl William Jackson

Jaron Kramarz Cohen

Ian James Jackson

Independent Auditor's Reports

To the Shareholders of Handelsselskabet af 1. september 2008 ApS

Report on the Financial Statements

We have audited the financial statements of Handelsselskabet af 1. september 2008 ApS for the financial year 1 July 2015 - 30 June 2016, which comprise the income statement, balance sheet, notes and accounting policies. 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 judgement, 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 the 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.

Our audit has not resulted in any qualification.

Independent Auditor's Reports (-continued)

Opinion

In our opinion the financial statements give a true and fair view of 30 June 2016 and of its financial operations for the financial year 1 July 2015 - 30 June 2016 in accordance with the Danish Financial Statements Act.

Emphasis of Matter on matters pertaining to audited financial statement

Going concern

Without modifying our conclusion, we refer to the description in note 1, where management outlines the uncertainties relating to going concern. Management has received a letter of support from the majority shareholder and therefor the Annual Report is prepared under the assumption of going concern.

Statements in accordance with other legislation and regulatory

Emphasis of Matter on other matters

VAT

We must draw attention to the fact that the company during the financial year, not submitted VAT Returns on time, management can be liable in this respect.

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 other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information given in the Management's Review is consistent with the financial statements.

Birkerød, 30. december 2016

**Piaster Revisorerne,
Statsautoriseret Revisionsaktieselskab
CVR-no.: 25 16 00 37**

Niels Kristian Tordrup Nielsen
State Authorized Public Accountant

Corporate information

The Company	Handelsselskabet af 1. september 2008 ApS Høffdingsvej 34, 2 Sal DK-2500 Valby
	Identification no.: 31 75 24 42
	Founded: 1. september 2008
	Registered office: Copenhagen
	Financial year: 1 July - 30 June
Executive Board	Jaron Kramarz Cohen
Supervisory Board	Andrew John Dingle Carl William Jackson Jaron Kramarz Cohen Ian James Jackson
Auditor	Piaster Revisorerne, Statsautoriseret Revisionsaktieselskab Abildgårdsparken 8A DK-3460 Birkerød

Management's Review

Primary activities of entity

The company's main activity is web based trading.

Mysale.dk is one of Denmark's leading online shopping clubs, where members get exclusive access to buy Danish and International leading brands at 30%-80% under market price.

Uncertainties relating to going concern

The company is primarily financed by the majority shareholder and management has been presented with a letter of support from the majority shareholder. Due to negative equity and outstanding other payables, the company need further financing and/or profitable operations going forward.

It is management's assessment due to the letter of support that the company will obtain sufficient financing so the company can continue their operations and be considered as a going concern.

Development in activities and financial affairs

The loss for the year has been affected with a impairment loss of 411 tDKK.

The company's financial performance is considered very dissatisfying.

Significant events occurred after the end of the financial year

No events have occurred after the end of the financial year which have a material effect on the Company's profit and loss account or balance sheet.

Income statement 1 July - 30 June

DKK	Notes	<i>12 months</i> 2015/16	<i>18 months</i> 2014/15
Gross profit		-32.223	4.281.084
Staff costs	2	-559.337	-1.556.467
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss	3	-469.179	-83.616
Other operating expenses		0	-15.659
Operating profit		-1.060.739	2.625.342
Financial expenses		-84.134	-33.049
Profit before tax		-1.144.873	2.592.293
Tax expense	4	0	13.658
Profit for the year		-1.144.873	2.605.951
Proposed distribution of results			
Retained earnings		-1.144.873	2.605.951
Proposed dividend recognised in equity		0	0
Total distribution		-1.144.873	2.605.951

Balance sheet at 30 June 2016

Assets

	Notes	2016	2015
Goodwill	5	0	469.179
Intangible assets		0	469.179
Other long-term receivables		8.105	11.095
Financial fixed assets		8.105	11.095
Fixed assets		8.105	480.274
Inventories	6	58.119	78.821
Trade receivables		649.916	150.261
Receivables from group enterprises	7	1.248.620	722.391
Short-term tax receivables		13.660	13.658
Short-term receivables from owners and management	8	67.212	327.081
Receivables		1.979.408	1.213.391
Cash and cash equivalents		41.759	56.818
Current assets		2.079.286	1.349.030
Assets		2.087.391	1.829.304

Balance sheet at 30 June 2016

Equity and liabilities

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
Share capital		125.000	125.000
Retained earnings		-598.026	546.847
Proposed dividend recognised in equity		0	0
Equity	9	<u>-473.026</u>	<u>671.847</u>
Other provisions		0	14.036
Provisions		<u>0</u>	<u>14.036</u>
Trade payables		629.579	514.355
Payables to group enterprises		1.158.210	0
Other payables		772.628	629.066
Short-term liabilities other than provisions		<u>2.560.417</u>	<u>1.143.421</u>
Total liabilities other than provisions		<u>2.560.417</u>	<u>1.143.421</u>
Equity and liabilities		<u>2.087.391</u>	<u>1.829.304</u>
Uncertainties relating to going concern	1		

Noter

1 Uncertainties relating to going concern

The company is primarily financed by the majority shareholder and management has been presented with a letter of support from the majority shareholder. Due to negative equity and outstanding other payables, the company need further financing and/or profitable operations going forward.

It is management's assessment due to the letter of support that the company will obtain sufficient financing so the company can continue their operations and be considered as a going concern.

	<i>12 months</i> 2015/16	<i>18 months</i> 2014/15
2 Staff costs		
Wages and salaries	535.099	1.475.570
Social security contributions	24.238	80.897
	559.337	1.556.467
3 Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		
Amortisation, goodwill	57.744	83.616
Impairment loss	411.435	0
	469.179	83.616
4 Tax expense		
Calculated tax on taxable income for the year	0	-13.658
Adjustment of deferred tax	0	0
	0	-13.658

Noter

	<u>2016</u>	<u>2015</u>
5 Goodwill		
Cost price at 1 July 2015 / 1 January 2014	<u>557.440</u>	<u>557.440</u>
Cost price at 30 June 2016	<u>557.440</u>	<u>557.440</u>
Amortisation at, 1 July 2015	88.261	4.645
Amortisation for the period	57.744	83.616
Impairment loss	<u>411.435</u>	<u>0</u>
Amortisation at 30 June 2016	<u>557.440</u>	<u>88.261</u>
Accounting value at 30 June 2016	<u>0</u>	<u>469.179</u>
6 Inventories		
Manufactured goods and goods for resale	<u>58.119</u>	<u>78.821</u>
	<u>58.119</u>	<u>78.821</u>

7 Receivables from group enterprises

Part of the receivable from group companies arised in connection with the sale of a part of the company to MySale Group PLC (ultimate owner). The new owner has provided a grant of 250.000 AUD, which will on a ongoing basis be remunerated in goods to be sold on the online platforms in the Nordic market.

8 Short-term receivables from owners and management

The receivable arised when former 100% owner provided a grant to cover the negative equity. It has been agreed that the grant is to be settled on a ongoing basis. The grant was provided and receivable was established when the owner had 100% ownership.

Noter

	<u>2016</u>	<u>2015</u>
9 Equity		
Share Capital at 1 July 2015 / 1 January 2014	125.000	125.000
Share Capital at 30 June 2016	<u>125.000</u>	<u>125.000</u>
Retained earnings at 1 July 2015	546.847	-4.257.724
Grant / capital contribution 9.9.2014	0	950.000
Grant / capital contribution 12.9.2014	0	1.248.620
Proposed distribution of results this year	<u>-1.144.873</u>	<u>2.605.951</u>
Retained earnings at 30 June 2016	<u>-598.026</u>	<u>546.847</u>
Proposed dividend recognised in equity at 1 June 2015 / 1 January 2014	0	0
Dividend paid	0	0
Proposed dividend recognised in equity in the period	<u>0</u>	<u>0</u>
Proposed dividend recognised in equity at 30 June 2016	<u>0</u>	<u>0</u>
Equity at 30 June 2016	<u>-473.026</u>	<u>671.847</u>

Accounting policies

The Annual Report has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with election from reporting class C.

The accounting policies are consistent with those of last year.

General

Reporting / functional currency

The Annual Report is presented in Danish kroner (DKK).

In general regarding accounting and measuring

Income is recognized in the income statement when they are earned. Furthermore are all costs, depreciations and write downs recognized in the income statement when incurred.

Assets are recognized in the balance sheet when it is probable that future economical benefits will accrue to the company and the assets value can be measured reliably.

Liabilities are recognized in the balance sheet when it is probable that future economical benefits will be deducted from the company and the value can be measured reliably.

On initial recognition assets and liabilities are measured to cost price. Thereafter assets and liabilities are measured as described for each entry.

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.

Accounting policies

Currency retranslation

Transactions denominated in foreign currency are translated into the functional currency at the exchange rates ruling at the date of the transaction. Exchange differences arising between the transaction date and the exchange rate at the date of actual payment are recognized in the income statement under financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at the balance sheet date. The difference between the exchange rates ruling at the balance sheet date and at the date when the receivable or payable arose is recognized in the income statement under financial income or financial expenses.

Non-current assets acquired in foreign currency are measured to the exchange rate ruling at the date of the transaction.

Income statement

Gross profit

With reference to section 32 of the Financial Statement Act, the items “Revenue” to and including “Other external expenses” are consolidated into one item designated “Gross profit”.

Revenue

Revenue includes invoiced sales of goods and rendering of services, recognition is done, when:

- delivery and transfer of risk to the buyer has taken place before year end
- a committing sales agreement exists
- sales price is determined, and
- payment is received, or there are reasonable security that it will be received

Revenue is recognized excluding value added tax and after deduction of provisions rebates and trade discounts relating to the sale.

Accounting policies

Cost of sales

Cost of sales include costs incurred to achieve revenue for the year. Cost of sales include freight and forwarding costs.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, bad debt, premises, operating lease agreements etc.

Staff costs

Staff costs comprise costs such as wages and salaries, pension costs and other social security benefits ect. to the company's employees.

Other operating income and expenses

Other operating income and expenses includes items of a secondary nature relative to the enterprise's core business.

Income from investments in group enterprises

The proportionate share of the results of group enterprises after tax is recognized in the income statement after the elimination of intercompany proceeds and deduction of goodwill depreciation and goodwill impairment losses.

Financial items

Financial income and expenses are recognized in the income statement with the amounts related to the year. Financial income and expenses comprise interest receivable and payable, realised and unrealised capital gains on securities and currency translation adjustments.

Tax expense

Tax on income for the year, consisting of the year's current tax and deferred tax, is recognized in the income statement to the extent that it relates to the income or loss for the year and on equity to the extent that it relates there to.

Accounting policies

Balance sheet

Intangible assets

Acquired goodwill is measured at historic cost less accumulated amortisation and impairment losses. Goodwill is depreciated over the estimated useful economic life estimated at 10 years due to high loyalty from customers.

Impairment of intangible assets

The carrying amount of intangible assets is every year reviewed in order to determine if there are indications of impairment exceeding the amount expressed by amortisations. If this is the case a impairment test is carried out in order to determine if the recoverable amount is lower than the carrying amount. The assets are written down to this lower value.

Recoverable amount for the asset is determined as the highest value of net sales price and the capital value. If it is not possible to determine the recoverable amount for the individual asset, assets are assessed together with the smallest group of assets where it is possible to determine a reliable evaluation of the recoverable amount.

Assets where it is not possible to determine an individual capital value because the asset does not generate future cash flows is assessed together with the group of assets which they can be attributed to.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. The net realisable value of inventories is determined taking into account marketability, obsolescence and development in expected sales price less completion costs and costs incurred to effectuate the sale.

Accounting policies

Receivables

Receivables are measured at amortized cost which corresponds in all material respects to nominal value. The value is reduced with provisions for expected bad debts.

Deferred income assets

Deferred income, recognized under assets, comprise costs incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents are cash in the bank.

Dividends

Dividends expected to be paid in respect of the year are stated as a separate line item under equity. Proposed dividends are recognized as a liability at the time of adoption by the shareholders at the annual general meeting.

Current tax and current deferred tax

Current tax liabilities and current tax assets are recognized in the balance sheet as estimated tax on the taxable income for the year, adjusted for change in tax on prior years' taxable income and for tax paid under the on-account tax scheme.

Deferred tax is measured according to the balance sheet liability method on all timing differences between the tax and accounting value of assets and liabilities.

Deferred income tax is measured using tax rules and tax rates that apply by the balance sheet date when the deferred tax asset is realised or the deferred income tax liability is settled. The change in deferred tax as a result of changes in tax rates is recognized in the income statement.

Liabilities

Mortgage debt is recognized at amortized cost price, which for cash loans is equal to outstanding loan. For bond loans amortized cost price equals the underlying cash value at time of borrowing regulated with an exchange rate at the time of borrowing depreciated over the

Other liabilities are measured at amortized cost, corresponding to the nominal value.