

# RIA Financial Services, Denmark ApS

c/o Hovedbanegårdens Forretningscenter K/S  
Bernstoffsgade 16, 1577 København K

CVR no. 33 37 53 44



## Annual report 2016

Approved at the annual general meeting of shareholders on 16 June 2017

Chairman:



.....  
Jens Nyqvist



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### Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of RIA Financial Services, Denmark ApS for the financial year 1 January - 31 December 2016.

The annual report is prepared in accordance with the Danish Financial Statements Act.

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


Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 16 June 2017  
Executive Board:



Manuel Villena Raventos



Jens Paul Nyqvist



Michael Unger

## Independent auditor's report

To the shareholders of RIA Financial Services, Denmark ApS

### Opinion

We have audited the financial statements of RIA Financial Services, Denmark ApS for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2016 and of the results of the Company's 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities 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 responsibilities for the audit of 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement 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 conclusion is 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 note 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 the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 16 June 2017  
Ernst & Young  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Henrik Barner Christiansen  
State Authorised Public Accountant



## Management's review

### Company details

Name	RIA Financial Services, Denmark ApS
Address, Postal code, City	c/o Hovedbanegårdens Forretningscenter K/S Bernstoffsgade 16, 1577 København K
CVR no.	33 37 53 44
Established	20 December 2010
Registered office	København
Financial year	1 January - 31 December
Website	<a href="http://www.riafinancial.com">www.riafinancial.com</a>
Executive Board	Manuel Villena Raventos Jens Paul Nyqvist Michael Unger
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

A handwritten signature in blue ink, appearing to be 'G', is located below the auditors' information.



## Management's review

### Management commentary

#### Business review

The objectives of the Company is to provide financial services, advices and guidance of any kind, and any hereby related business.

#### Financial review

The income statement for 2016 shows a profit of DKK 2,304,755 against DKK 1,483,792 last year, and the balance sheet at 31 December 2016 shows equity of DKK 3,743,852.

#### Events after the balance sheet date

No significant events have occurred subsequent to the financial year-end. Due to the nature of the Company and it's ultimate parent it is not possible to estimate a level of profitability.

#### Outlook

For 2017, the company is expected to generate profits similar to those of the current year.

A handwritten signature in blue ink, consisting of a stylized cursive 'E' followed by a horizontal line.



## Financial statements for the period 1 January - 31 December

### Income statement

Note	DKK	2016	2015
	Gross margin	8,961,684	7,345,927
2	Staff costs	-5,672,127	-5,450,854
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-280,731	-346,050
	Profit before net financials	3,008,826	1,549,023
	Financial income	0	109,736
3	Financial expenses	-43,979	-53,084
	Profit before tax	2,964,847	1,605,675
4	Tax for the year	-660,092	-121,883
	Profit for the year	2,304,755	1,483,792
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	3,000,000	0
	Retained earnings/accumulated loss	-695,245	1,483,792
		2,304,755	1,483,792





Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	ASSETS		
	Fixed assets		
5	Intangible assets		
	Acquired intangible assets	79,091	316,369
		<u>79,091</u>	<u>316,369</u>
6	Property, plant and equipment		
	Other fixtures and fittings, tools and equipment	98,891	114,359
	Leasehold improvements	0	1,338
		<u>98,891</u>	<u>115,697</u>
	Investments		
	Deferred tax assets	58,484	44,869
	Deposits, investments	188,184	188,184
		<u>246,668</u>	<u>233,053</u>
	Total fixed assets	<u>424,650</u>	<u>665,119</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	1,601,391	1,318,508
	Other receivables	4,004	0
	Prepayments	426,392	189,521
		<u>2,031,787</u>	<u>1,508,029</u>
	Cash	5,532,309	6,511,800
	Total non-fixed assets	<u>7,564,096</u>	<u>8,019,829</u>
	TOTAL ASSETS	<u>7,988,746</u>	<u>8,684,948</u>





Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2015	80,000	-124,695	0	-44,695
Transfer through appropriation of profit	0	1,483,792	0	1,483,792
Equity at 1 January 2016	80,000	1,359,097	0	1,439,097
Transfer through appropriation of profit	0	-695,245	3,000,000	2,304,755
Equity at 31 December 2016	80,000	663,852	3,000,000	3,743,852

## Financial statements for the period 1 January - 31 December

## Notes to the financial statements

## 1 Accounting policies

The annual report of RIA Financial Services, Denmark ApS for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies applied by the Company are consistent with those of last year.

## Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

## Income statement

## Revenue

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of indirect taxes charged on behalf of third parties.

## Gross margin

The items revenue and agent commissions have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

## Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to sale, advertising, administration, premises, bad debts, etc.

## Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

## Amortisation/depreciation

The item comprises amortisation/depreciation of intangible assets and property, plant and equipment.

The basis of amortisation, which is calculated as cost less any residual value, is amortised on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Acquired intangible assets	5 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	3-5 years



## Financial statements for the period 1 January - 31 December

## Notes to the financial statements

## 1 Accounting policies (continued)

## Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

## Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

## Balance sheet

## Intangible assets

Other intangible assets include acquired intangible rights.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses.

## Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

## Impairment of fixed assets

Intangible assets, property, plant and equipment are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount. As for group of assets, impairment losses are first recognised in respect of any goodwill and thereafter proportionately in respect of the other assets.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.





## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

##### Equity

###### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Other payables

Other payables are measured at net realisable value.

##### Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

DKK	2016	2015
2 Staff costs		
Wages/salaries	4,631,345	4,628,432
Pensions	300,261	241,642
Other social security costs	693,442	558,701
Other staff costs	47,079	22,079
	<u>5,672,127</u>	<u>5,450,854</u>
Average number of full-time employees	<u>13</u>	<u>12</u>
3 Financial expenses		
Interest expenses, group entities	0	31,617
Interest surcharges and tax recognised under net financials	23,078	0
Other financial expenses	20,901	21,467
	<u>43,979</u>	<u>53,084</u>
4 Tax for the year		
Estimated tax charge for the year	673,707	166,752
Deferred tax adjustments in the year	-13,615	-44,869
	<u>660,092</u>	<u>121,883</u>



Financial statements for the period 1 January - 31 December

Notes to the financial statements

5 Intangible assets

DKK	<u>Acquired intangible assets</u>
Cost at 1 January 2016	1,186,388
Cost at 31 December 2016	<u>1,186,388</u>
Impairment losses and amortisation at 1 January 2016	870,019
Amortisation/depreciation in the year	<u>237,278</u>
Impairment losses and amortisation at 31 December 2016	<u>1,107,297</u>
Carrying amount at 31 December 2016	<u><u>79,091</u></u>

6 Property, plant and equipment

DKK	<u>Other fixtures and fittings, tools and equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost at 1 January 2016	339,065	337,075	676,140
Additions in the year	<u>26,806</u>	<u>0</u>	<u>26,806</u>
Cost at 31 December 2016	<u>365,871</u>	<u>337,075</u>	<u>702,946</u>
Impairment losses and depreciation at 1 January 2016	224,706	335,737	560,443
Amortisation/depreciation in the year	<u>42,274</u>	<u>1,338</u>	<u>43,612</u>
Impairment losses and depreciation at 31 December 2016	<u>266,980</u>	<u>337,075</u>	<u>604,055</u>
Carrying amount at 31 December 2016	<u><u>98,891</u></u>	<u><u>0</u></u>	<u><u>98,891</u></u>

DKK	<u>2016</u>	<u>2015</u>
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7 Share capital

Analysis of the share capital:

80,000 shares of DKK 1.00 nominal value each	<u>80,000</u>	<u>80,000</u>
	<u>80,000</u>	<u>80,000</u>

The Company's share capital has remained DKK 80,000 over the past 5 years.

8 Contractual obligations and contingencies, etc.

Other financial obligations

Other rent and lease liabilities:

DKK	<u>2016</u>	<u>2015</u>
Rent and lease liabilities	<u>313,190</u>	<u>313,733</u>





Financial statements for the period 1 January - 31 December

Notes to the financial statements

9 Collateral

The Company has not placed any assets as security for loans at 31 December 2016.

10 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Euronet Worldwide, Inc.	Leawood, Kansas, USA	Consolidated financial statements (SEC form 10-K) is publicly available at <a href="http://ir.euronetworldwide.com/sec.cfm">ir.euronetworldwide.com/sec.cfm</a>

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
RIA Netherlands Holding B.V.	Amsterdam, Netherlands