Merex Holding ApS

Vester Farimagsgade 4, 2., 1606 København V

CVR no. 34 59 31 59

Annual report for 2015

Årsrapporten er godkendt på den
ordinære generalforsamling, d. 22.06.16

Maryam Pirooznejad
Dirigent

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Company information etc.

The company

Merex Holding ApS
Vester Farimagsgade 4, 2.
1606 København V
Registered office: København V
CVR no.: 34 59 31 59

Executive Board

Maryam Pirooznejad

Auditors

Beierholm
Statsautoriseret Revisionspartnerselskab

Subsidiaries

Merex International A/S, Copenhagen, Denmark
Merex International AB, Gothenburg, Sweden
Merint AS, Oslo, Norway

Statement of the Board of Directors on the annual report

Executive Board have on this day considered and adopted the annual report for the financial year 01.01.15 - 31.12.15 for Merex Holding ApS.

The annual report is presented in accordance with the Danish Financial Statements Act (Årsregnskabsloven).

In my opinion, the financial statements give a true and fair view of the company's assets, liabilities, financial position and results.

I believe that the management's review gives a true and fair review of the matters dealt with in the review.

The annual report is submitted for adoption by the general meeting.

Copenhagen, June 21, 2016

Executive Board

Maryam Pirooznejad

To the capital owner of Merex Holding ApS

REPORT ON FINANCIAL STATEMENTS

We have audited the financial statements of Merex Holding ApS for the financial year 01.01.15 - 31.12.15, which comprise the income statement, balance sheet, accounting policies and notes. The financial statements are prepared in accordance with Danish Financial Statements Act.

Management's responsibility for the financial statements

The Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act. Furthermore the Management is responsible for the internal control as the 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 that 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 company'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 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 financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualifications.

Opinion

In our opinion the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31.12.15 and of the results of the company's operations for the financial year 01.01.15 - 31.12.15 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 financial statements. On this basis, it is our opinion that the information provided in the Management’s review is consistent with the financial statements.

Copenhagen, June 21, 2016

Beierholm
Statsautoriseret Revisionspartnerselskab
CVR no. 32 89 54 68

Carsten Collin
State Authorized Public Accountant

Main activities

The company's activities comprise to act as a holding company and own the activity in Merex International A/S and Merex International AB.

Exceptional conditions

A fundamental error regarding previous years in investments in group entities has been corrected.

Regulation t.DKK 293 has been recorded on the Equity at 31 December 2014, the years figures and the comparative figures is therefore correct.

Development in the company’s financial activities and affairs

The income statement for the period 01.01.15 - 31.12.15 showed a result of DKK -179,285 against DKK 355,670 for the period 01.01.14 - 31.12.14. The balance sheet showed equity of DKK -749,497.

The management considers the net profit for the year not to be satisfactory.

The company has lost its capital and are cover by the Danish Companies Act rules on capital losses. The management is obliged, within six months, to propose restoration of the company´s capital.

The capital is secured with a letter of subordination from the shareholder.

Important events occurring after the end of the financial year

No events materially affecting the financial position of the company have occurred after the end of the financial year.

Income statement

Note		2015 DKK	2014 DKK
	Gross loss	**-25.000**	**-17.999**
	Income from equity investments in group enterprise	-20.610	339.759
	Other financial income	0	95.800
	Other financial expenses	-133.675	-61.890
	Profit/loss before tax	**-179.285**	**355.670**
	Tax on profit/loss for the year	0	0
	Profit/loss for the year	**-179.285**	**355.670**

Proposed appropriation account

Retained earnings	-179.285	355.670
Total	**-179.285**	**355.670**

Balance sheet

ASSETS

Note		31.12.15 DKK	31.12.14 DKK
1	Equity investments in group enterprises	243.544	257.912
	Total investments	**243.544**	**257.912**
	Total non-current assets	**243.544**	**257.912**
	Receivables from group enterprises	2.355.615	2.460.444
	Total receivables	**2.355.615**	**2.460.444**
	Cash	**57.791**	**1.534**
	Total current assets	**2.413.406**	**2.461.978**
	Total assets	**2.656.950**	**2.719.890**

EQUITY AND LIABILITIES

Note		31.12.15	31.12.14
	Share capital	80.000	80.000
	Retained earnings	-829.497	-650.212
2	**Total equity**	**-749.497**	**-570.212**
	Other payables	2.480.195	2.363.850
3	**Total long-term payables**	**2.480.195**	**2.363.850**
	Other payables	926.252	926.252
	Total short-term payables	**926.252**	**926.252**
	Total payables	**3.406.447**	**3.290.102**
	Total equity and liabilities	**2.656.950**	**2.719.890**

4 Contingent liabilities
5 Security provided

GENERAL

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

The accounting policies have been applied consistently with previous years.

In accordance with section 110 of the Danish Financial Statements Act, the company has decided not to prepare consolidated financial statements.

A fundamental error regarding previous years in investments in group entities has been corrected.

Regulation t.DKK 293 has been recorded on the Equity at 31 December 2014, the years figures and the comparative figures is therefore correct.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation, impairment losses and write-downs, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of such assets can be measured reliably. Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of such liabilities can be measured reliably. On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost applying a constant effective rate of interest over the term of the assets and liabilities. Amortised cost is determined as original cost less any principal repayments and less/plus accumulated amortisation of the difference between cost and nominal value.

On recognition and measurement, account is taken of foreseeable losses and risks arising before the time at which the annual report is presented and proving or disproving matters arising on the balance sheet date.

INCOME STATEMENT

Gross loss

Gross loss comprises revenue as well as other external costs.

Other external expenses comprise distribution, selling, advertising and administration costs as well as costs of premises, bad debts and operating leases.

Net financials

Interest income and interest expenses, foreign currency translation adjustments as well as realised and unrealised capital gains and losses on securities are recognised under net financials.

Amortisation of capital losses and loan costs relating to financial assets and liabilities is recognised on an ongoing basis as financial expenses and financial income, respectively.

Tax

The current and deferred taxes for the year are recognised in the income statement as taxes for the year with the portion attributable to the net profit or loss for the year, and directly in equity with the portion attributable to amounts recognised directly in equity.

The company is taxed jointly with the Danish consolidated enterprises. The parent is the administration company for the joint taxation and thus settles all income tax payments with the tax authorities.

In connection with the settlement of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed enterprises in proportion to their taxable incomes. This means that enterprises with a tax loss receive joint taxation contributions from enterprises which have been able to use this loss to reduce their own taxable profit.

BALANCE SHEET

Investments

Equity investments in subsidiaries are recognised and measured according to the equity method, meaning that the equity investments are measured at the pro-rata share of the enterprises' equity value adjusted for the remaining value of positive or negative goodwill and plus or minus unrealised intercompany gains and losses.
The company's share of the enterprises' profit or loss after elimination of unrealised intercompany profits and losses is recognised in the income statement.

Equity investments in associates with a negative carrying amount are measured at DKK 0. Any receivables from such enterprises are impaired to the extent that such receivables are irrecoverable. If the parent has a legal or constructive obligation to cover a deficit which exceeds the receivable, the remaining amount is recognised under provisions.

Newly acquired or newly founded enterprises are recognised in the consolidated financial statements as from the date of acquisition and the date of foundation, respectively. The date of acquisition is the date at which control of the enterprise is obtained. Divested or discontinued enterprises are recognised until the time of divestment or discontinuation. The date of discontinuation is the date at which control of the enterprise passes to a third party.

Gains or losses on the divestment of subsidiaries are determined as the difference between the consideration and the carrying amount of net assets at the time of divestment, including non-amortised goodwill, as well as the expected costs of divestment or discontinuation. Gains and losses are recognised in the income from equity investments.

New enterprises are recognised in accordance with the purchase method, according to which the identifiable assets and liabilities of the newly acquired enterprises are recognised at fair value at the time of acquisition. A provision is made to cover expenses incidental to decided and announced restructuring in the acquired enterprise in connection with the acquisition. The tax effect of the reassessments made is taken into account.

The goodwill (positive difference) determined at the time of acquisition is recognised under equity investments in subsidiaries and amortised over 5 years according to the straightline method based on an individual assessment of the useful life of the asset.

Impairment of assets

The carrying amount of non-current assets which are not measured at fair value is assessed annually for indications of impairment over and above what is reflected in depreciation/amortisation.

If there are indications of impairment, an impairment test is conducted of individual assets or groups of assets. The assets or groups of assets are impaired to the lower of recoverable amount and carrying amount.

The higher of net selling price and value in use is used as the recoverable amount. The value in use is determined as the present value of expected net cash flows from the use of the asset or group of assets as well as expected net cash flows from the sale of the asset or group of assets after the expiry of their useful lives.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less write-downs for bad debts.

Write-downs for bad debts are determined on the basis of an assessment of the individual receivables.

Cash

Cash consist of bank deposits and cash at bank and in hand.

Equity

The proposed dividend for the financial year is recognised as a special item under equity.

Net revaluation of equity investments in subsidiaries is recognised under equity in the reserve for net revaluation according to the equity method to the extent that the carrying amount exceeds the acquisition cost.

Current and deferred taxes

As the administration company, the company assumes liability for the jointly taxed enterprises' income tax payments to the tax authorities in step with the joint taxation contributions being paid by the jointly taxed enterprises.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the basis of the taxable income for the year, adjusted for taxes paid on account.

Joint taxation contributions payable and receivable are recognised as income tax in the balance sheet under receivables or payables.

Deferred tax liabilities and deferred tax assets are computed on the basis of all temporary differences between the carrying amount and tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is non-amortisable for tax purposes and other items where temporary differences, except for acquisitions, have arisen at the date of acquisition without affecting either the net profit or loss for the year or the taxable income. In cases where the tax value can be determined according to different taxation rules, deferred tax is measured on the basis of the management's intended use of the asset or settlement of the liability.

Deferred tax assets are recognised, following an assessment, at the expected realisable value through offsetting against deferred tax liabilities or tax on future earnings.

Deferred tax is measured on the basis of the tax rules and at the tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallise as current tax.

Liabilities

Non-current liabilities are measured at cost at the time of contracting such payables (raising of the loan). The liabilities are subsequently measured at amortised cost where capital losses and loan expenses are recognised in the income statement as a financial expense over the term of the liability on the basis of the calculated effective interest rate in force at the time of contracting the liability.

Current liabilities are also measured at amortised cost, which usually corresponds to the nominal value of the liability.

1. Equity investments in group enterprises

Figures in DKK	Equity investments in group enterprises
Cost as at 31.12.14	1.333.157
Cost as at 31.12.15	1.333.157
Impairment as at 31.12.14	-1.075.245
Impairment losses during the year	-20.610
Impairment as at 31.12.15	-1.095.855
Equity investments with a negative equity value impaired in receivables	6.242
Offset against receivables and provisions	6.242
Carrying amount as at 31.12.15	243.544

Name	Ownership interest
Group enterprises:	
Merex International A/S, Copenhagen, Denmark	100%
Merex International AB, Gothenburg, Sweden	100%
Merint AS, Oslo, Norway	100%

2. Equity

Figures in DKK	Share capital	Retained earnings
Statement of changes in equity for the period 01.01.15 - 31.12.15		
Statement of changes in equity for the period as at 01.01.15	80.000	-650.212
Proposed distribution of net profit	0	-179.285
Statement of changes in equity for the period as at 31.12.15	80.000	-829.497

There have been no changes in share capital during the three preceding financial years.

3. Payables

Figures in DKK	Total payables at 31.12.15	Total payables at 31.12.14
Other payables	2.480.195	2.363.850

Of the long-term liabilities, DKK 0 falls due for payment after more than five years after the balance sheet date.

4. Contingent liabilities

The company is taxed jointly with the other danish companies in the group, and, as from the 2013 financial year, the company is liable together with the other jointly taxed companies for the total income tax and must comply with any obligations to withhold tax at source on interest, royalties and dividends for the jointly taxed companies.

5. Security provided

None.