

**House of Amber Holding A/S
Central Business Registration No
34894434
Filippavej 57
5762 Vester Skerninge**

Annual report 2015

The Annual General Meeting adopted the annual report on 11.05.2016

Chairman of the General Meeting

Name: Lars Fossum Bladt

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Entity details

Entity

House of Amber Holding A/S
Filippavej 57
5762 Vester Skerninge

Central Business Registration No: 34894434

Registered in: Svendborg

Financial year: 01.01.2015 - 31.12.2015

Committee of Representatives

Jens Heimbürger, formand

Henrik Busch

Jesper Steen Tastesen

Executive Board

Lars Fossum Bladt

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of House of Amber Holding A/S 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.

Vester Skerninge, 11.05.2016

Executive Board

Lars Fossum Bladt

Committee of Representatives

Jens Heimburger
formand

Henrik Busch

Jesper Steen Tastesen

Independent auditor's reports

To the owners of House of Amber Holding A/S Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of House of Amber Holding A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent 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 consolidated financial statements and parent 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 consolidated financial statements and parent 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 consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent 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 consolidated financial statements and parent 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 Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Independent auditor's reports

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

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 audit of the consolidated financial statements and parent financial statement.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

København, 11.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Mogens Holm Christensen
statsautoriseret revisor

Anders Lillelund
statsautoriseret revisor

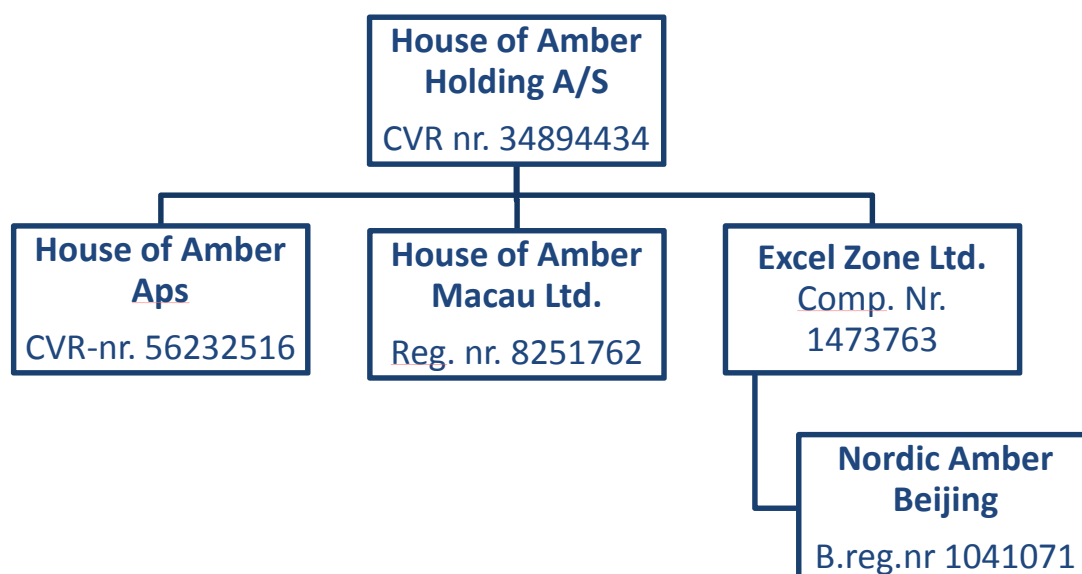
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Management commentary

	<u>2015</u> <u>DKK'000</u>	<u>2014</u> <u>DKK'000</u>	<u>2013</u> <u>DKK'000</u>
Financial highlights			
Key figures			
Revenue	145.781	118.024	98.964
Gross profit/loss	63.118	52.596	40.967
Operating profit/loss	26.912	20.872	17.969
Net financials	(580)	(1.129)	(705)
Profit/loss for the year	19.708	14.544	12.813
Total assets	102.289	76.076	54.815
Investments in property, plant and equipment	3.763	3.780	707
Equity	73.115	52.514	37.298
Ratios			
Gross margin (%)	43,3	44,6	41,4
Net margin (%)	13,5	12,3	12,9
Return on equity (%)	31,4	32,4	34,4
Equity ratio (%)	71,5	69,0	68,0

As this is the second time consolidated financial statements have been prepared, financial highlights for the years 2011 to 2012 have not been prepared, see § 128 Danish Financial Statements Act.

The consolidated financial statements of House of Amber Holding A/S contains the following entities:



Management commentary

Primary activities

The object of the Entity is to produce and sell amber jewellery and to hold investments in entities with the same object.

Development in activities and finances

Profit/loss for the year in relation to expected developments

A pre-tax profit of DKK 26,332k was realised for this financial year compared to DKK 19,743k last year. The balance sheet total stands at DKK 102,289k compared to DKK 76,076k last year. Equity amounts to DKK 73,115k compared to DKK 52,514k last year.

Uncertainty relating to recognition and measurement

In 2015, no unusual events or uncertainties have affected recognition and measurement.

Outlook

Material assumptions and uncertainties

Positive growth is expected for 2016.

Particular risks

The most material operating risks relate to business trends impacting on demand for the Group's products in Denmark, China, Macau and Hong Kong, and the development in prices of amber, gold and silver.

The Group is exposed to fluctuations in various currencies as a result of its international trading and its foreign subsidiaries' operating activities.

Consolidation

The Entity is part of the Group in which Krogedammen A/S, Verster Skerninge, Svendborg (Central Business Reg. No 17262033) serves as the ultimate parent. Krogedammen A/S also prepares consolidated financial statements in which the Entity is included.

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 C enterprises.

The accounting policies applied for this consolidated financial statements and parent 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.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Accounting policies

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements. Minority interests' pro rata shares of the profit/loss and the net assets are disclosed as separate items in the income statement and the balance sheet, respectively.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Business combinations

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

The purchase method is applied at the acquisition of new enterprises, under which identifiable assets and liabilities of these enterprises are measured at fair value at the acquisition date. On acquisition of enterprises, provisions are made for costs relating to decided and published restructurings in the acquired enterprise. Allowance is made for the tax effect of restatements.

Positive differences in amount (goodwill) between cost of the acquired share and fair value of the assets and liabilities taken over are recognised under intangible assets, and they are amortised systematically over the income statement based on an individual assessment of their useful life, which has been assessed to 10 years.

Income statement

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 from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Changes in inventories of finished goods and work in progress

Changes in inventories of finished goods and work in progress comprise decreases or increases for the financial year in inventories of finished goods and work in progress. This item includes ordinary write-downs of such inventories. Changes in inventories of raw materials are included in costs of raw materials and consumables.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Accounting policies

Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year after adjustment for changes in inventories of these goods from the beginning to the end of the year. This item includes shrinkage, if any, and ordinary write-downs of the relevant inventories.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including 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 as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, 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 interest expenses, including interest expenses on payables to group enterprises, 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.

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 Parent is jointly taxed with all of its Danish subsidiaries. Current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax

Accounting policies

losses). The Danish entities included in the consolidated financial statements also participate in a Danish joint taxation arrangement with Krogedammen A/S serving as the administration company.

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is 10 years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Intellectual property rights etc

Intellectual property rights etc comprise of acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

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	5-6 years
Leasehold improvements	4-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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

Accounting policies

Investments in group enterprises

Investments in group enterprises are recognised and measured according to fair value.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

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

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. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

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

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Dividend

The proposed dividend for the financial year is disclosed as a separate item in equity.

Minority interests

Minority interests consist of non-controlling interests share of equity in subsidiaries not 100% owned by the parent company.

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.

Accounting policies

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary,

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.

Deferred income

Deferred income comprises received income for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement

Cash flow statements have been omitted as it is included in the consolidated financial statements of the ultimate parent, Krogedammen A/S.

Financial highlights

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2010" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios reflect
Gross margin (%)	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$	The Entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The Entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The Entity's return on capital invested in the Entity by the owners.
Soliditetsgrad (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the Entity.

Consolidated income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Revenue		145.780.744	118.024.142
Changes in inventories of finished goods and work in progress		13.774.195	10.446.802
Other operating income		81.603	99.388
Costs of raw materials and consumables		(63.195.957)	(51.455.466)
Other external expenses		<u>(33.322.844)</u>	<u>(24.518.651)</u>
Gross profit/loss		63.117.741	52.596.215
Staff costs	1	(31.717.697)	(28.053.217)
Depreciation, amortisation and impairment losses	2	<u>(4.488.205)</u>	<u>(3.670.971)</u>
Operating profit/loss		26.911.839	20.872.027
Other financial income from group enterprises		115.294	0
Other financial income	3	188.968	335.828
Other financial expenses	4	<u>(884.259)</u>	<u>(1.465.183)</u>
Profit/loss from ordinary activities before tax		26.331.842	19.742.672
Tax on profit/loss from ordinary activities	5	<u>(6.600.439)</u>	<u>(5.104.438)</u>
Consolidated profit/loss		19.731.403	14.638.234
Minority interests' share of profit/loss		<u>(23.696)</u>	<u>(94.373)</u>
Profit/loss for the year		19.707.707	14.543.861
Proposed distribution of profit/loss			
Dividend for the financial year		14.000.000	0
Retained earnings		<u>5.707.707</u>	<u>14.543.861</u>
		19.707.707	14.543.861

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Acquired intangible assets		621.102	735.767
Acquired trademarks		238.270	0
Goodwill		4.194.132	0
Intangible assets	6	<u>5.053.504</u>	<u>735.767</u>
Other fixtures and fittings, tools and equipment		7.116.273	7.271.336
Leasehold improvements		1.318.114	1.666.356
Property, plant and equipment	7	<u>8.434.387</u>	<u>8.937.692</u>
Other receivables		1.943.622	3.059.725
Fixed asset investments	8	<u>1.943.622</u>	<u>3.059.725</u>
Fixed assets		<u>15.431.513</u>	<u>12.733.184</u>
Raw materials and consumables		27.870.908	24.097.153
Manufactured goods and goods for resale		25.114.081	20.113.861
Inventories		<u>52.984.989</u>	<u>44.211.014</u>
Trade receivables		5.943.169	5.397.863
Receivables from group enterprises		10.281.624	5.193.917
Other short-term receivables		9.753.995	3.709.438
Income tax receivable	10	280.953	480.389
Prepayments		1.164.741	1.105.657
Receivables		<u>27.424.482</u>	<u>15.887.264</u>
Cash		<u>6.447.944</u>	<u>3.244.403</u>
Current assets		<u>86.857.415</u>	<u>63.342.681</u>
Assets		<u>102.288.928</u>	<u>76.075.865</u>

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital		500.000	500.000
Retained earnings		58.615.054	52.013.960
Proposed dividend		14.000.000	0
Equity		<u>73.115.054</u>	<u>52.513.960</u>
Minority interests	11	<u>0</u>	<u>3.674.630</u>
Provisions for deferred tax	12	401.225	146.208
Provisions		<u>401.225</u>	<u>146.208</u>
Other credit institutions		1.002.279	1.451.828
Convertible, profit-yielding or dividend-yielding debt instruments		0	2.716.466
Non-current liabilities other than provisions		<u>1.002.279</u>	<u>4.168.294</u>
Bank loans		16.756.390	6.490.117
Trade payables		1.903.677	814.305
Payables to group enterprises		2.093.382	1.991.247
Income tax payable	13	429.459	331.755
Other payables		5.603.433	5.683.391
Deferred income		984.029	261.958
Current liabilities other than provisions		<u>27.770.370</u>	<u>15.572.773</u>
Liabilities other than provisions		<u>28.772.649</u>	<u>19.741.067</u>
Equity and liabilities		<u><u>102.288.928</u></u>	<u><u>76.075.865</u></u>
Subsidiaries	9		
Unrecognised rental and lease commitments	14		
Mortgages and securities	15		

Consolidated statement of changes in equity for 2015

	Contributed capital DKK	Retained ear- nings DKK	Proposed di- vidend DKK	Total DKK
Equity beginning of year	500.000	52.013.960	0	52.513.960
Dividend	0	0	14.000.000	14.000.000
Exchange rate adjustments	0	893.387	0	893.387
Profit/loss for the year	0	5.707.707	0	5.707.707
Equity end of year	500.000	58.615.054	14.000.000	73.115.054

Notes to consolidated financial statements

	2015 DKK	2014 DKK
1. Staff costs		
Wages and salaries	30.250.720	26.053.541
Pension costs	728.357	562.468
Other social security costs	573.704	326.317
Other staff costs	164.916	1.110.891
	31.717.697	28.053.217
Average number of employees	168	143
	Remunera- tion of ma- nagement 2015 DKK	Remunera- tion of ma- nagement 2014 DKK
Executive Board	3.224.000	2.805.000
	3.224.000	2.805.000
	2015 DKK	2014 DKK
2. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	222.207	66.888
Depreciation of property, plant and equipment	4.265.998	3.604.083
	4.488.205	3.670.971
	2015 DKK	2014 DKK
3. Other financial income		
Financial income arising from group enterprises	102.187	0
Interest income	74.293	254.900
Exchange rate adjustments	12.488	76.050
Other financial income	0	4.878
	188.968	335.828

Notes to consolidated financial statements

	2015	2014	
	DKK	DKK	
4. Other financial expenses			
Interest expenses	648.484	752.248	
Exchange rate adjustments	16.100	550.566	
Other financial expenses	219.675	162.369	
	884.259	1.465.183	
	2015	2014	
	DKK	DKK	
5. Tax on profit/loss from ordinary activities			
Tax on current year taxable income	6.890.295	5.254.273	
Change in deferred tax for the year	(385.020)	(150.382)	
Adjustment concerning previous years	95.164	547	
	6.600.439	5.104.438	
	Acquired intangible assets DKK	Acquired trademarks DKK	Goodwill DKK
6. Intangible assets			
Cost beginning of year	3.252.655	0	0
Additions	0	244.081	4.301.674
Cost end of year	3.252.655	244.081	4.301.674
Amortisation and impairment losses beginning of year	(2.516.888)	0	0
Amortisation for the year	(114.665)	(5.811)	(107.542)
Amortisation and impairment losses end of year	(2.631.553)	(5.811)	(107.542)
Carrying amount end of year	621.102	238.270	4.194.132

Notes to consolidated financial statements

	Other fixtures and fittings, tools and equipment DKK	Leasehold improvements DKK
7. Property, plant and equipment		
Cost beginning of year	12.858.571	5.138.043
Additions	3.631.204	131.489
Cost end of year	16.489.775	5.269.532
Depreciation and impairment losses beginning of the year	(5.587.235)	(3.471.687)
Depreciation for the year	(3.786.267)	(479.731)
Depreciation and impairment losses end of the year	(9.373.502)	(3.951.418)
Carrying amount end of year	7.116.273	1.318.114

	Other receivables DKK
8. Fixed asset investments	
Cost beginning of year	3.059.725
Additions	24.292
Disposals	(1.140.395)
Cost end of year	1.943.622
Carrying amount end of year	1.943.622

	Registered in	Corporate form	Equity interest %	Equity DKK	Profit/loss DKK
9. Subsidiaries					
House of Amber ApS	København	A/S	100,0	67.234.034	21.417.782
Excel Zone Limited	Hong Kong	Ltd	100,0	12.626.406	(173.737)
House of Amber Macau Limited	Macau	Ltd	100,0	60.311	56.321

10. Short-term income tax receivable

Income tax receivable consists of prepaid tax settled with the administration company in the Group with which the Danish entities are jointly taxed, net of current tax for the income year 2015.

Notes to consolidated financial statements

11. Minority interests

	kr.
Cost beginning of the year	3.674.930
Disposals	(3.674.930)
Cost end of the year	0

12. Deferred tax

	2015	2014
	DKK	DKK
Intangible assets	6.393	0
Property, plant and equipment	394.832	146.208
	401.225	146.208

13. Short-term income tax payable

Income tax payable consists of the tax payable by the foreign subsidiaries, which are not part of the Danish joint taxation arrangement. Tax relating to the Danish subsidiary was set off against prepaid tax and is recognised as tax receivable, see note 10.

	2015	2014
	DKK	DKK
14. Unrecognised rental and lease commitments		
Commitments under rental agreements or leases until expiry	43.861.000	40.246.000

15. Mortgages and securities

A floating charge of DKK 13,000k has been provided as security for bank loans.

An escrow account of DKK 550k has been pledged as security for leases.

A joint and severable guarantee has been provided by the subsidiary, House of Amber ApS, in favour of the Parent, House of Amber Holding A/S, and in favour of that entity's parent, House of Amber Invest A/S. House of Amber Invest A/S is not included in the consolidated financial statements.

The Danish entities included in the consolidated financial statements are subject to a joint taxation arrangement with Krogedammen A/S serving as the administration company. Thus, the entities are jointly and severally liable with other jointly taxed entities for tax of the joint taxable income.

Parent income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Revenue		4.748.000	2.600.000
Other external expenses		<u>(1.858.229)</u>	<u>(1.819.442)</u>
Gross profit/loss		2.889.771	780.558
Staff costs	1	<u>(5.138.158)</u>	<u>(1.855.437)</u>
Operating profit/loss		(2.248.387)	(1.074.879)
Other financial income from group enterprises		299.464	52.981
Other financial income	2	0	76.050
Financial expenses from group enterprises		(363.494)	(41.438)
Other financial expenses	3	<u>(6.190)</u>	<u>(323.661)</u>
Profit/loss from ordinary activities before tax		(2.318.607)	(1.310.947)
Tax on profit/loss from ordinary activities	4	<u>544.873</u>	<u>279.846</u>
Profit/loss for the year		<u>(1.773.734)</u>	<u>(1.031.101)</u>
Proposed distribution of profit/loss			
Dividend for the financial year		14.000.000	0
Retained earnings		<u>(15.773.734)</u>	<u>(1.031.101)</u>
		<u>(1.773.734)</u>	<u>(1.031.101)</u>

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Investments in group enterprises		123.000.000	75.000.000
Fixed asset investments	5	<u>123.000.000</u>	<u>75.000.000</u>
Fixed assets		<u>123.000.000</u>	<u>75.000.000</u>
Receivables from group enterprises		11.530.830	4.256.340
Other short-term receivables	6	2.400.000	0
Income tax receivable		544.873	280.393
Receivables		<u>14.475.703</u>	<u>4.536.733</u>
Cash		<u>380.333</u>	<u>117.196</u>
Current assets		<u>14.856.036</u>	<u>4.653.929</u>
Assets		<u><u>137.856.036</u></u>	<u><u>79.653.929</u></u>

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Contributed capital	7	500.000	500.000
Revaluation reserve		40.000.000	0
Retained earnings		57.682.275	73.456.006
Proposed dividend		14.000.000	0
Equity		<u>112.182.275</u>	<u>73.956.006</u>
Convertible, profit-yielding or dividend-yielding debt instruments		0	2.716.466
Non-current liabilities other than provisions		<u>0</u>	<u>2.716.466</u>
Trade payables		96.050	63.730
Payables to group enterprises		24.809.478	2.195.234
Other payables		768.233	722.493
Current liabilities other than provisions		<u>25.673.761</u>	<u>2.981.457</u>
Liabilities other than provisions		<u>25.673.761</u>	<u>5.697.923</u>
Equity and liabilities		<u><u>137.856.036</u></u>	<u><u>79.653.929</u></u>
Mortgages and securities	8		
Ownership	9		

Parent statement of changes in equity for 2015

	<u>Contributed capital DKK</u>	<u>Revaluation reserve DKK</u>	<u>Retained ear- nings DKK</u>	<u>Proposed di- vidend DKK</u>
Equity beginning of year	500.000	0	73.456.009	0
Dividend	0	0	0	14.000.000
Value adjustments	0	40.000.000	0	0
Profit/loss for the year	0	0	(15.773.734)	0
Equity end of year	<u>500.000</u>	<u>40.000.000</u>	<u>57.682.275</u>	<u>14.000.000</u>
				<u>Total DKK</u>
Equity beginning of year				73.956.009
Dividend				14.000.000
Value adjustments				40.000.000
Profit/loss for the year				(15.773.734)
Equity end of year				<u>112.182.275</u>

Notes to parent financial statements

	2015	2014
	DKK	DKK
1. Staff costs		
Wages and salaries	5.112.878	1.688.628
Other social security costs	25.280	3.240
Other staff costs	0	163.569
	5.138.158	1.855.437
	2015	2014
	DKK	DKK
2. Other financial income		
Exchange rate adjustments	0	76.050
	0	76.050
	2015	2014
	DKK	DKK
3. Other financial expenses		
Interest expenses	50	125.000
Exchange rate adjustments	0	193.495
Other financial expenses	6.140	5.166
	6.190	323.661
	2015	2014
	DKK	DKK
4. Tax on profit/loss from ordinary activities		
Change in deferred tax for the year	(544.873)	(280.393)
Adjustment concerning previous years	0	547
	(544.873)	(279.846)

Deferred tax in the Parent relates to the value of a tax loss. As this loss is used for setoff against taxable profits of jointly taxed group entities, the value of the Parent's tax loss is recognised in Income tax receivable in the balance sheet.

Notes to parent financial statements

	Investments in group enter- prises DKK
5. Fixed asset investments	
Cost beginning of year	75.000.000
Additions	8.000.000
Cost end of year	83.000.000
Fair value adjustments	40.000.000
Revaluations end of year	40.000.000
Carrying amount end of year	123.000.000

	2015 DKK	2014 DKK
6. Other short-term receivables		
Other receivables	2.400.000	0
	2.400.000	0

	Number	Par value DKK	Nominal value DKK
7. Contributed capital			
A-aktier	500.000	100	500.000
	500.000		500.000

8. Mortgages and securities

The Danish entities included in the consolidated financial statements are subject to a joint taxation arrangement with Krogedammen A/S serving as the administration company. The entities are jointly and severally liable with other jointly taxed entities for tax of the joint taxable income.

A joint and severable guarantee has been provided in favour of the subsidiary, House of Amber ApS.

9. Ownership

The Entity has registered the following shareholders as holding more than 5% of the voting shares or more than 5% of the nominal value of share capital:

House of Amber Invest A/S, Vester Skerninge, Svendborg