Marorka International A/S

Financial statements for the financial year 11 August - 31 December 2015

EUR

The Annual Report has been presented and approved on the company´s ordinary general assembly on

Johannes Lafrentz
Chairman

Marorka International A/S
Fredriksbogade 15, 2 sal
1360 København K
Denmark

Reg. no. 36984171

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Marorka International A/S for the financial year 11 August – 31 December 2015.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Group's and the Parent Company's operations and the Group´s consolidated cash flows for the financial year 11 August – 31 December 2015.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Parent Company's activities and financial matters, of the results for the year and of the Group's and the Parent Company's financial position.

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

Reykjavík 31 May 2016.

Board of Directors:

Johannes Lafrenz Chairman	Jon Agust Thorsteinsson	Asthildur Otharsdottir
Henrik Ramskov		

Executive Board:

Jürgen Kudritzki

Independent Auditors' Report

To the Shareholders of Marorka International A/S.

Independent auditor's report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Marorka International A/S for the financial year 11 August – 31 December 2015. The consolidated financial statements and the parent company financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company 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 the parent company 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 as to whether the consolidated financial statements and the parent company 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 company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and parent company 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 consolidated financial statements and parent company 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 Management, as well as evaluating the overall presentation of consolidated financial statements and parent company 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 qualification.

Opinion

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Group's and the Parent Company's operations and the Group´s consolidated cash flows for the financial year 11 August – 31 December 2015 in accordance with the Danish Financial Statements Act.

Independent Auditors' Report, contd.:

Emphasis of matter regarding matters in the financial statements

Without qualifying our opinion, we draw attention to the description in the Managements Review page 8 and note 1 on page 21 regarding the Group's and the company's financial situation. The Group and the company have reported a loss for the financial year 11 August to 31 December 2015 of EUR 11,197 thousand, thereof EUR 10,398 thousand relating to impairment of goodwill and other intangibles (not cash effective), and expects further losses in 2016. The owners of the company have agreed to perform a cash contribution to the company in 2016 of EUR 4 million to ensure sufficient financial resources of the Group and the company for 2016. On this basis the financial statements have been presented on a going concern basis.

Without qualifying our opinion, we draw attention to the description in the Managements Review page 8 and note 19 on page 25 regarding uncertainty as to the valuation of intangible assets recognised in the consolidated financial statements of EUR 3.1 million.

Statement on the Management's review

In accordance with 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 consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen 31 May 2016.

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no.: 25 87 81 98

Joakim Juul Larsen
State Authorised Public Accountant

Management´s review

Company
Marorka International A/S
c/o Regus
Frederiksborggade 15, 2nd floor,
1360 Copenhagen K
Denmark
Tel: (+45) 5364 0000
marorka @marorka.com
CVR-number: 36984171
Financial year: 01.01 – 31.12
Registerd in: Denmark

Board of Directors
Johannes Lafrentz (Chairman since 31.3.2016)
Jon Agust Thorsteinsson (Vice Chairman since 31.3.2016)
Asthildur Otharsdottir (Board member)
Henrik Ramskov (Board member)

Executive Board
Jürgen Kudritzki CEO

Company auditors
KPMG P/S
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

Subsidiaries
Marorka A/S

CVR number	36089261
Address:	c/o Regus, Frederiksborggade 15, 2.
Postal code and city:	1360 København K
Start date:	5.9.2014
Financial year:	01.01 to 31.12
First accounting period:	05.09.2014 to 31.12.2015

Auditor
KPMG P/S
Dampfærgevej 28
2100 København Ø

Marorka ehf

ID-nr:	6608922309
Address:	Borgartun 26,
Postal code and city:	105 Reykjavik
Financial year:	01.01 to 31.12

Auditor
KPMG ehf
Borgartun 27
105 Reykjavik

Subsidiaries, contd.:

Marorka Germany GmbH

Address:	Weserstieg 40A
Postal code and city:	21079 Hamburg
Financial year:	01.01 to 31.12

The subsidiary, Marorka A/S holds 100% ownership in the following company:

Marorka Singapore Pte. Ltd.

Address:	Six Battery Road , Level 42
Postal code and city:	Singapore 049909
Financial year:	01.01 to 31.12

The subsidiary, Marorka ehf. holds 50% joint venture ownership in the following company:

Unique Marorka Support Services FZC

Address:	Plot No. 1D
Postal code and city:	Plot No. E2-127G-19 Hamiriyah Free Zone (UAE)
Financial year:	01.01 to 31.12

Financial highlights 2015

Group (EUR´000)	**11.8. - 31.12.2015**	**Pro-forma 1.1. - 31.12.**
Revenue	2,867	6,042
Gross profit (loss)	1,567	3,406
Ordinary operating loss	(819)	(2,284)
Loss from financial income and expenses	(43)	(286)
Loss for the year	(11,197)	(12,016)
Total assets	6,340	
Investment in property, plant and equipment	0	
Equity	**2,689**	
Gross margin	55%	
Operating margin	-403%	
Current ratio	1.48	
Return on equity	-77%	
Solvency ratio	42%	

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts´ guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

Marorka in general

Marorka is a leading provider of data-driven performance management solutions to the maritime industry. The products and services of the company enable ship owners, operators and managers, as well as other stakeholders, to increase the performance and achieve technical & operational excellence of their vessel or fleet. The results are minimized harmful emissions and reduced costs.

Marorka provides complete marine performance management solutions. Marorka´s performance management solutions are installed on all major vessel segments around the world.

Management´s review, contd.:

Marorka in general, contd.:
Marorka went trough structural changes in 2015 where Marorka International A/S was established. Mayfair Beiteiligungsfonds II is the leading shareholder in the company with 73,9% shares and Klappir I ehf holds 26,1%. Marorka International A/S holds all shares in Marorka Denmark, Marorka Iceland and Marorka Germany. Marorka Denmark holds all shares in Marorka Singapore and Marorka ehf. holds 50% shares in the joint venture UMSS, together comprising the Marorka Group. The reasoning for this is to have the Marorka Group closer to customers and maritime clusters.

The company´s headquarters and regional office are in Copenhagen a, and it has also regional offices in Hamburg and Singapore as well as agents and partners in Norway, Greece, Korea and Dubai. Production facilities as well as part of management are located in Iceland. At the end of 2015, the company employed 50 people in Iceland, 3 in Denmark, 2 in Singapore, 2 in Germany and 1 in Dubai. Nearly all of the company's revenues are generated outside of Iceland.

More information on the Marorka Group is available on its website http://www.marorka.com

Marorka has implemented a quality management system built on the ISO 9001 standard, certified by DNV GL.

Financial situation
The Group and the company realised a loss for the financial year 11 August to 31 December 2015 of EUR 11,197 thousand. Hereof EUR 10,398 thousand are related to impairment write down of intangible assets. Further losses are expected for 2016. The owners of the company have agreed to perform a cash contribution to the company in 2016 amounting to EUR 4 million to ensure sufficient financial resources of the Group and the company for 2016. On this basis the financial statements have been presented on a going concern basis.

Uncertainty related to measurement of intangible assets
The company was established on 11 August 2015 by contribution of shares in Marorka ehf. and Marorka A/S. The owners were remunerated with shares in the company with a value of EUR 13,162 thousand according to agreement between the owners. In the opening balance of the the consolidated financial statements the remuneration was allocated to goodwill and other intangible assets amounting to EUR 12,341 thousand. Impairment tests of the value of goodwill and other intangible assets at year-end resulted in impairment amounting to EUR 10,398 thousand. The impairment tests are based on updated business plans for the Group for the coming years showing an increase in revenue and improvement of the company´s earnings.
Because of the fact that the impairment tests are based on estimates of future revenues and earnings that might not materialize as expected, there is a risk related to the valuation of the goodwill and other intangible assets.

Operating review / budget 2016
Based on the business plans for the Group, the Group revenues and earnings are expected to improve over the coming years. For 2016, the Group is still expected to realise losses, however the ordinary operation loss is expected to decrease.

Risks

Various macroeconomic, financial and operational related risks can impact Marorka's operations. Following is an overview of the main financial risk factors.

FOREIGN EXCHANGE RISK

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the EUR/ISK on the cost side. The majority of revenues are in EUR while a significant part of costs is in ISK.

CREDIT RISK

The company minimizes credit risk by requesting prepayments and installment payments for significant projects as well as continuously monitoring credits granted to customers.

INSURANCE POLICIES

The company maintains insurance policies related to its operations. The coverage comprises business interruption, general and product liability, directors and officers liability, employers practice liability, business travel, and accidents. The company believes that its current insurance coverage is adequate.

LIQUIDITY RISK

The company has undertaken significant investments in infrastructure to promote future growth. This has resulted in a loss from operations and negative cash flow in recent financial periods. The company's main shareholders have strongly supported the strategic growth with capital increases. A strong relationship is maintained with the provider of bank financing.

INTEREST RATE RISK

Borrowings issued at variable interest rates expose the company to cash-flow interest rate risk.

The company does not use financial instruments for hedging purposes. Risk factors are continuously monitored and considered by the Board of Directors and company management.

Accounting policies

The annual report of Marorka International A/S for 2015 has been present in accordance with the provisions applying to reporting class C medium-sized entities under the Danish Financial Statements Act.

Consolidated financial statements
The consolidated financial statements comprise the Parent Company, Marorka International A/S, and subsidiaries in which Marorka International A/S directly or indirectly holds more than 50% of the votes or in some other way exercises control. Entities in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are considered associates.

The group was founded in 2015 and those consolidated financial statements comprise the period 11.8.2015 - 31.12.2015.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends and realised and unrealised gains and losses on intra-group transactions are eliminated.

Equity investments in subsidiaries are set off against the proportionate share of subsidiaries' fair value of net assets and liabilities at the date of acquisition.

Business combinations
Newly acquired or newly established entities are recognised in the consolidated financial statements at the date of acquisition or establishment. Divested or wound-up entities are recognised in the consolidated income statement up to the date of divestment or winding-up. Comparative figures are not restated to reflect acquisitions, divestments or windings-up.

When acquiring new entities, the purchase method is applied under which identifiable assets and liabilities are measured at fair value at the date of acquisition. Provisions are recognised to cover costs arising from planned and announced restructuring processes in the acquired entity as part of the acquisition. The tax effect of revaluations is recognised as deferred tax.

Positive differences (goodwill) between cost and the fair value of identifiable assets and liabilities acquired, including restructuring provisions, are recognised as intangible assets and amortised systematically in the income statement based on an individual assessment of the useful life, however, not exceeding 20 years. Negative differences (negative goodwill) reflecting projected unfavourable development in the relevant entities are recognised in the balance sheet as deferred income and recognised in the income statement as the unfavourable development materialise.

Negative goodwill up to an amount not exceeding the fair value of non-monetary assets that does not relate to projected unfavourable development is recognised in the balance sheet as deferred income. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets. Any residual negative goodwill is recognised in the income statement at the date of acquisition.

Goodwill and negative goodwill from acquired entities may be adjusted until the end of the year after the year of acquisition.

Gains or losses on the divestment of subsidiaries and associates are calculated as the difference between the sales amount and the carrying amount of net assets at the date of disposal, including non-amortised goodwill and projected costs of divestment or winding-up.

Accounting policies, contd.:

Foreign currency
On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue recognition
Income from the sale of goods, comprising the sale of ship performance management solutions, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be reliably measured and is expected to be received.

A contract is broken down by individual transactions when the fair value of the individual sales transactions may be reliably measured, and the individual sales transactions are of separate value to the buyer. Sales transactions are deemed to be of a separate value to the buyer when the transaction is individually identifiable and usually sold individually. The contract price is broken down by the individual sales transactions in accordance with the relative current cost approach. The separate sales transactions are recognised as revenue when complying with the criteria applying to the sale of goods and services.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are deducted from revenue.

For products with a high degree of customisation, revenue is recognised as production takes place, and accordingly, revenue corresponds to the selling price of the work performed for the year (the percentage of completion method). When total income and costs attributable to the contract or the stage of completion at the balance sheet date cannot be estimated reliably, revenue is recognised only at costs incurred and only to the extent that the recovery thereof is likely.

Cost of sales
Production costs comprise costs, including depreciation, amortisation, wages and salaries incurred to generate revenue for the year. Commercial entities recognise their cost of sales, whereas production entities recognise production costs incurred to generate revenue for the year.

Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

Selling and marketing expenses
Selling and marketing expenses comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

Research and development expenses
Research and development expenses that do not qualify for capitalisation and amortisation of capitalised development costs.

Administrative expenses
Administrative expenses comprise expenses incurred during the year for management and administration of the Group, including expenses for administrative staff, management, office premises, office expenses and depreciation.

Other operating income

Other operating income comprises items secondary to the activities of the entities, including gains on the disposal of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

The Parent Company is comprised by the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

Balance sheet

Development projects

Cost incurred on development projects, relating to the design and testing of new or improved products, is recognised as intangible assets when it is probable that the project will be a success, considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Customer relations and orderbook

Customer relations and orderbook are measured at cost less accumulated amortisation and impairment losses. Customer relations are amortised on a straight-line basis over expected remaining life of the customer relations with the maximum amortisation period 20 years, and orderbook is amortised over the contract period, not exceeding 3 years.

Goodwill

Goodwill relating to strategically acquired entities with a strong market position and long-term earnings profile is amortized over 20 years.

Intangible assets and goodwill are amortised as follows:

Development projects	6 - 7 years
Customer relations	20 years
Orderbook	3 years
Goodwill	20 years

Accounting policies, contd.:

Tangible assets
Tangible assets are measured at cost less accumulated depreciation. Depreciation is calculated using the straight-line method to allocate the cost of each asset to its residual value over its estimated useful life. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset´s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Tangible assets are amortised as follows:

Equipment	5 years

Leases
Payments relating to operating leases and other leases are recognised in the income statement over the term of the lease. The Company's total obligation relating to operating leases and other leases is disclosed as contractual obligations, etc.

Investments
Equity investments in associates are measured at the proportionate share of the associates' net asset value calculated in accordance with the Group's accounting policies with proportionate deduction or addition of unrealised gains and losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Impairment of non-current assets
The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

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

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

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.

Contract work in progress

Contract work in progress is measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the projected income from the individual work. The stage of completion is stated as the share of costs incurred in proportion to estimated total costs relating to the individual work.

When the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

The individual contract work is recognised in the balance sheet as receivables or payables, respectively. Net assets comprise total work in progress where the selling price of the work performed exceeds progress billings. Net liabilities comprise total work in progress where progress billings exceed the selling price.

Costs arising from sales work and contracting are recognised in the income statement as incurred.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and deposits with credit institutions.

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligations are recognised as financial liabilities at amortised cost.

Other liabilities are measured at net realisable value.

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and divestment of entities is shown separately in cash flows from investing activities. Cash flows relating to acquired entities are recognised in the cash flow statement from the date of acquisition, and cash flows relating to divested entities are recognised up to the date of divestment.

Cash flow statement, contd.:

Cash flows from operating activities
Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities
Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, intangible assets, property, plant and equipment and investments.

Cash flows from financing activities
Cash flows from financing activities comprise purchase and sale of treasury shares, payments relating to increases or reductions in capital and related costs as well as payment of dividends to shareholders and raising and repayment of interest-bearing debt.

Cash and cash equivalents
Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Financial ratios
Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios have been calculated as follows:

Gross margin	$\frac{\text{Gross profit/loss x 100}}{\text{Revenue}}$
Operating margin	$\frac{\text{Operating profit/loss x 100}}{\text{Revenue}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Return on equity	$\frac{\text{Profit/loss from ordinary activities after tax x 100}}{\text{Average equity}}$
Solvency ratio	$\frac{\text{Equity ex non-controlling interests at year end x 100}}{\text{Total equity and liabilities at year end}}$

Consolidated financial statements and parent company financial statements 11 August - 31 December 2015

Income statement

	Notes	11.8.2015 - 31.12.2015 Group	Parent Company
Revenue			
Sales		2,867,150	0
Cost of sales	14	(1,299,971)	0
Gross profit (loss)		1,567,179	0
Selling and marketing expenses	15	(839,630)	0
Research and development expenses	4,14	(502,488)	0
Administrative expenses	5,14	(1,044,045)	0
Ordinary operating profit (loss)		(818,984)	0
Other operating income		173,598	0
Impairment and amortization	6	(10,898,831)	0
Operating profit (loss)		(11,544,217)	0
Income (loss) from group entities		0	(11,207,180)
Other financial income	2	8,540	10,709
Other financial expenses	3	(51,544)	(921)
		(43,004)	(11,197,392)
Profit/(loss) before tax		(11,587,221)	(11,197,392)
Tax on profit (loss) for the year		389,829	0
Profit (loss) for the year		(11,197,392)	(11,197,392)
Proposed distribution of loss			
Retained earnings		(11,197,392)	(11,197,392)

Consolidated financial statements and parent company financial statements 11 August - 31 December 2015

Balance sheet

	Notes	Group 2015	Parent Company 2015
ASSETS			
Non-current assets			
Intangible assets	4		
Customer relations and orderbook		998,210	0
Development projects		2,124,422	0
		3,122,632	0
Property, plant and equipment	5		
Fixtures and fittings, tools and equipment		21,958	0
Investments			
Investments in group entities	7	0	1,980,045
Total non-current assets		3,144,590	1,980,045
Current assets			
Inventories			
Raw materials and consumables	8	81,691	0
Receivables			
Trade receivables		1,697,151	0
Work in progress	9	822,201	0
Other receivables		362,164	0
Receivables from group entities		0	1,034,559
		2,881,517	1,034,559
Cash at bank and in hand		232,254	0
Total current assets		3,195,462	1,034,559
TOTAL ASSETS		6,340,052	3,014,604

Consolidated financial statements and parent company financial statements 11 August - 31 December 2015

Balance sheet

	Notes	Group 2015	Parent Company 2015
EQUITY AND LIABILITIES			
Equity			
Share capital	10	1,388,607	1,388,607
Retained earnings		1,300,077	1,300,076
Total equity		2,688,684	2,688,683
Provisions			
Provision for deferred tax	11	293,402	0
Total provisions		293,402	0
Non-current liabilities other than provisions			
Mortgage debt	12	1,200,000	0
		1,200,000	0
Current liabilities other than provisions			
Bank loans		801,514	0
Trade payables		460,861	0
Other payables		532,285	25,000
Payables to group entities		363,305	300,921
		2,157,966	325,921
Total liabilities other than provisions		3,357,966	325,921
TOTAL EQUITY AND LIABILITIES		6,340,052	3,014,604

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Consolidated financial statements and parent company financial statements 11 August - 31 December 2015

	Notes	Group 2015
Cash flows from operating activities		
Loss for the year		(11,197,391)
Difference between net earnings and cash from operations:		
Depreciation of operating assets		9,007
Amortisation and impairment of intangible assets		11,129,716
Provision for deferred tax		(389,829)
Working capital provided by (used in) operating activities		(448,497)
Changes in operating assets and liabilities:		
Inventories, work in progress, change		297,440
Trade and other receivables, change		(432,811)
Trade and other payables, change		49,886
Net change in operating assets and liabilities		(85,485)
Net cash used in operating activities		(533,982)
Cash flows to investment activities		
Capitalised intangible assets		(311,669)
Cash flows used in investment activities		(311,669)
Cash flows from financing activities		
Proceeds from the issue of share capital		723,850
Credit institutions, change		8,641
Payables with related parties, change		230,746
Net cash provided by financing activities		963,237
Increase in cash and cash equivalents		117,587
Cash and cash equivalents at the beginning of the year		0
Cash received on acquisition of subsidiaries	18	114,667
Cash and cash equivalents at the end of the year		232,254
Investing and financing activities without cash flow effects		
Acquisition of subsidiaries	18	(13,043,267)
Proceeds from the issue of share capital		13,043,267

Statement of changes in equity

	Group		
	Contributed capital	Retained earnings	Total
Issued share capital	1,388,607	12,497,468	13,886,075
Transferred over the distribution of loss		(11,197,392)	(11,197,392)
Equity at 31 December 2015	1,388,607	1,300,076	2,688,683

	Parent		
	Contributed capital	Retained earnings	Total
Issued share capital	1,388,607	12,497,468	13,886,075
Transferred over the distribution of loss		(11,197,392)	(11,197,392)
Equity at 31 December 2015	1,388,607	1,300,076	2,688,683

Notes

1. Financial situation

The Group and the company realised a loss for the financial year 11 August to 31 December 2015 of EUR 11,197 thousand, thereof EUR 10,398 thousand relating to impairment of goodwill and other intangibles (not cash effective). Further losses are expected in 2016. The owners of the company have agreed to perform a cash contribution to the company in 2016 of EUR 4 million to ensure sufficient financial resources of the Group and the company for 2016. On this basis the financial statements have been presented on a going concern basis.

2. Other financial income

Financial income and expenses are specified as follows:

	Group 2015	Parent Company 2015
Interest income	562	0
Interest income from group entities	0	10,709
Foreign exchange gains	7,977	0
Total financial income and expenses	8,540	10,709

3. Financial expenses

Financial income and expenses are specified as follows:

	Group 2015	Parent Company 2015
Interest expense	50,622	0
Interest expenses to group entities	921	921
Total financial income and expenses	51,544	921

4. Intangible assets and goodwill

Intangible assets and goodwill are specified as follows:

	Group			
	Customer relations and orderbook	Development projects	Goodwill	Total
Additions on acquisition of subsidiary	2,341,000	2,649,994	8,924,432	13,915,426
Additions		311,668		311,668
Cost at 31 December 2015	2,341,000	2,961,662	8,924,432	14,227,094
Amortisation	194,771	298,082	213,342	706,195
Impairment losses	1,148,020	539,158	8,711,090	10,398,267
Amortisation and impairment losses at 31 December 2015	1,342,790	837,240	8,924,432	11,104,462
Carrying amount at 31 December 2015	998,210	2,124,422	0	3,122,632

Impairment and amortization in the group are distributed as follows in the Group:

	Customer relations and orderbook	Development projects	Goodwill	Total
Research and development expenses		230,885		230,885
Impairment and amortization	1,342,790	606,355	8,924,432	10,873,577
	1,342,790	837,240	8,924,432	11,104,462

5. Property, plant and equipment

	Group Fixtures, tools and equipment
Additions on acquisition of subsidiary	56,219
Cost at 31 December 2015	56,219
Depreciation	9,007
Impairment losses	25,254
Depreciation and impairment losses at 31 December 2015	34,261
Carrying amount at 31 December 2015	21,958

Depreciation in the group is expensed among administrative expenses.

6. Impairment and amortization according to the income statement is specified as follows:

	Group
Impairment and amortization of intangible assets and goodwill, see note 4	(10,873,577)
Impairment of property, plant and equipment	(25,254)
	(10,898,831)

7. Investments in group entities

	Parent Company Investments in group entities
Additions on acquisition of subsidiaries	13,187,225
Cost at 31 December 2015	13,187,225
Share of profit (loss) for the year	(783,659)
Impairment losses for the year	(10,423,521)
Revaluations at 31 December 2015	(11,207,180)
Carrying amount at 31 December 2015	1,980,045

Investments in group entities	Registered in	Equity interest
Marorka Denmark A/S	Copenhagen, Denmark	100%
Marorka ehf.	Reykjavik, Iceland	100%
Marorka Germany GmbH	Hamburg, Germany	100%

8. Inventories

Recognised cost, raw materials and consumables	81,691

9. Contract work in progress

Selling price of work performed	1,558,730
Progress billings	(736,529)
	822,201

Work in progress is recognised as assets

10. Share capital

Changes in share capital are specified as follows:

Capital increase	1,316,222
Cash capital increase	72,385
	1,388,607

The share capital consists of 1,388,607 shares of nominal EUR 1 each. All shares rank equally.

11. Deferred tax

	Group
	2015
Acquisition of subsidiary	683,231
Deferred tax adjustment for the year	(389,829)
	293,402
Provision for deferred tax relate to	
Intangible assets	293,402

12. Total long term Interest-bearing loans

Long term interest-bearing loans are specified as follows:

	Group
	2015
Loans in EUR, repayments in 2017	1,200,000

On the final due date of the loan, 1 December 2017, the subsidiary, Marorka ehf. Iceland, is entitled to extend the remainder of the loan to three years subject to certain conditions.

13. Operating lease obligations

Rermaining operating lease obligations at the balance sheet date of EUR 490 thousand fall due within three years.

14. Mortgages

The subsidiary Marorka ehf. has pledged all of its trade receivables amounting to EUR 1.7 million as security for loans amounting to EUR 1.2 million at year-end 2015.

15. Salary and salary-related expenses

Salary and salary-related expenses are specified as follows:

	Group
	2015
Salary	2,157,396
Pension	144,127
Salary-related expenses	106,400
Total salary and salary-related expenses	2,407,923

Salary and salary-related expenses are recognised in income statement within selling and marketing expenses, research and development expenses, administrative expenses and cost of sales. Average number of employees based on full-time equivalents was 49 during the year 2015.

The Board of Directors and Executive Management are employed by Marorka ehf., Marorka A/S and Marorka Germany GmbH and has not received remuneration for 2015 from the parent company Marorka International A/S. Services performed by the Board of Directors and Executive Management are part of the management fee charged from group entities.

Administrative expenses of the Group include remuneration of the Parent Company's Executive Board, EUR 303 thousand, pensions, EUR 15 thousand , and remuneration of the Parent Company's Board of Directors, EUR 70 thousand and pensions EUR 2 thousand.

16. Related party disclosures

Marorka International A/S´ related parties comprise the following:

Control

Marorka ehf., Iceland
Marorka A/S, Denmark
Marorka GmbH, Germany
Marorka Pte. Ltd., Singapore
Unique Marorka Support Services FZC, UAE

Largest and smallest group:

The company is included in the consolidated financial statements of Mayfair Vermögensverwaltungs SE (the ultimate owner). Mayfair Vermögensverwaltungs SE publishes its consolidated group accounts according to IFRS in the "elektronischer Bundesanzeiger" in Germany.

17. Contingent liabilities

The Group´s Danish entities are jointly and severally liable for tax on the Group´s jointly taxed income and for certain witholding taxes such as dividend tax and royalty tax.

18. Acquisition of subsidiaries and activities

	Group 2015
Customer relations and orderbook	2,341,000
Deveolpment projects	2,650,000
Fixtures fittings, tools and equipment	56,218
Raw materials and consumables	147,628
Trade receivables	332,661
Work in progress	1,053,704
Other receivables	1,289,550
Cash at bank and in hand	143,958
Mortgage debt	(1,200,000)
Bank loans	(792,873)
Trade payables	(494,420)
Other payables	(448,845)
Payables to group entities	(132,557)
Deferred tax liability	(683,231)
	4,262,793
Goodwill	8,924,432
Cost	13,187,225
Portion relating to cash at bank and in hand	(143,958)
Cash cost	13,043,267

19. Uncertainty related to measurement of intangible assets

The company was established on 11 August 2015 by contribution of shares in Marorka ehf. and Marorka A/S. The owners were remunerated with shares in the company with a value of EUR 13,162 thousand according to agreement between the owners. In the opening balance of the consolidated financial statements the remuneration was allocated to goodwill and other intangible assets amounting to EUR 12,341 thousand. Impairment tests of the value of goodwill and other intangible assets at year-end resulted in impairment amounting to EUR 10,359 thousand. The impairment tests are based on updated business plans for the Group for the coming years showing a increase in revenue and improvement of the company´s earnings. Because of the fact that the impairment tests are based on estimates of future revenues and earnings that might not materialize as expected, there is a risk related to the valuation of the goodwill and other intangible assets.