

Migaya Scandinavia A/S

c/o A.T. Kearney Copenhagen
Sankt Annæ Plads 13
1250 København K

CVR No. 36036702

Annual Report 2014/15

1. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 26 May 2016

Knut Faremo
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of Migaya Scandinavia A/S for the financial year 4 July 2014 - 31 December 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 assets, liabilities and financial position of the Company at 31 December 2015 and of the results of the Company's operations for the financial year 4 July 2014 - 31 December 2015.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 20 May 2016

Executive Board

Gotfred Severin Berntsen
Manager

Supervisory Board

Knut Faremo
Chairman

Gotfred Severin Berntsen
Manager

Yann Åsmund Faremo

Independent Auditor's Report

To the shareholders of Migaya Scandinavia A/S

Report on the Financial Statements

We have audited the Financial Statements of Migaya Scandinavia A/S for the financial year 4 July 2014 - 31 December 2015 comprising Accounting Policies, Income Statement, Balance Sheet and Notes. The Annual Report is presented in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the Danish Financial Statements Act, and for such internal controls as Management determines is necessary to enable preparation of Financial Statements that are free from material misstatements, 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 have conducted our audit in accordance with international standards on auditing and additional requirements under Danish auditor regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain a high degree of assurance as to whether the Financial Statements are free from material misstatements.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements in the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. 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 the Financial Statements.

In our opinion, 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 qualifications.

Opinion

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2015 and of the results of the Company's operations for the financial year 4 July 2014 - 31 December 2015 in accordance with the Danish Financial Statements Act.

Migaya Scandinavia A/S

Independent Auditor's Report

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Copenhagen V, 20 May 2016

BDO Statsautoriseret revisionsaktieselskab

CVR-no. 20222670

Brian Olsen Halling

State Authorised Public Accountant

Migaya Scandinavia A/S

Company details

Company	Migaya Scandinavia A/S c/o A.T. Kearney Copenhagen Sankt Annæ Plads 13 1250 København K
CVR No.	36036702
Date of formation	4 July 2014
Registered office	København
Financial year	4 July 2014 - 31 December 2015
Supervisory Board	Knut Faremo, Chairman Gotfred Severin Berntsen, Manager Yann Åsmund Faremo
Executive Board	Gotfred Severin Berntsen, Manager

Management's Review

The Company's principal activities

The Company's principal activities consist in advisory and consulting services.

Development in activities and financial matters

The Company's Income Statement of the financial year 4. juli 2014 - 31. december 2015 shows a result of DKK -6.009.218 and the Balance Sheet at 31. december 2015 a balance sheet total of DKK 414.563 and an equity of DKK -5.509.218.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the Company substantially.

Expectations for the future

The Company expects its operations to develop positively next year. The Company has received commitments on support and funding from its parent company. The management considers the Company to be going concern.

Accounting Policies

Reporting Class

The Annual Report of Migaya Scandinavia A/S for 2014/15 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

As the financial year 2014/15 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At 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, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Income from delivery of services is recognised as revenue as the service is delivered.

Other external expenses

Other external expenses comprise expenses regarding sale and administration.

Staff expenses

Staff expenses comprise wages and salaries, pensions and social security costs.

Other staff expenses are recognised in other external expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding debt and foreign currency transactions as well as surcharges and allowances under the tax repayment scheme.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Accounting Policies

Balance Sheet

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Financial liabilities

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Migaya Scandinavia A/S

Income Statement

	Note	2014/15 kr.
Gross profit		394.305
Employee benefits expense	1	<u>-6.349.784</u>
Profit from ordinary operating activities		-5.955.479
Finance expences	2	<u>-53.739</u>
Profit from ordinary activities before tax		-6.009.218
Tax expense on ordinary activities		<u>0</u>
Profit		<u>-6.009.218</u>
 Proposed distribution of results		
Retained earnings		<u>-6.009.218</u>
		<u>-6.009.218</u>

Migaya Scandinavia A/S

Balance Sheet as of 31. December

	Note	2015 kr.
Assets		
Short-term trade receivables		253.407
Other short-term receivables		14.433
Receivables		267.840
Cash and cash equivalents		146.723
Current assets		414.563
Assets		414.563

Balance Sheet as of 31. December

	Note	2015 kr.
Liabilities and equity		
Contributed capital	3	500.000
Retained earnings	4	-6.009.218
Equity		-5.509.218
Payables to group enterprises		5.297.088
Long-term liabilities other than provisions	5	5.297.088
Debt to banks		23.018
Trade payables		185.862
Other payables		417.813
Short-term liabilities other than provisions		626.693
Liabilities other than provisions within the business		5.923.781
Liabilities and equity		414.563
Uncertainties relating to going concern	6	
Collaterals and assets pledges as security	7	
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Notes

2014/15

1. Employee benefits expense

Wages and salaries	6.344.804
Social security contributions	4.980
	<u>6.349.784</u>

2. Finance expenses

Finance expenses arising from group enterprises	47.088
Other finance expenses	6.651
	<u>53.739</u>

3. Contributed capital

Additions during the year	500.000
Balance at the end of the year	<u>500.000</u>

The share capital consists of 500.000 shares of DKK 1. Shares are not divided into classes.

The share capital has remained unchanged for the last 5 years.

4. Retained earnings

Additions during the year	-6.009.218
Balance at the end of the year	<u>-6.009.218</u>

5. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	5.297.088		5.297.088
	<u>5.297.088</u>		<u>5.297.088</u>

6. Uncertainties relating to going concern

The Company expects its operations to develop positively next year. The Company has received commitments on support and funding from its parent company. The management considers the Company to be going concern.

7. Collaterals and securities

In the cash and cash equivalents DKK 100.000 is included. These are pledged as security for MasterCard.

8. Related parties

The smallest and largest group, in which these financial statements of the company are consolidated, are those of European Retail Holding Ltd.. The registered office of European Retail Holding Ltd. is 18/2 South Street, Valletta VLT 1102, Malta.