

Metalprio Solutions A/S
Central Business Registration No
28664834
c/o Ole Moeslund Egedal 6
8800 Viborg

Annual report 2015

The Annual General Meeting adopted the annual report on 23.06.2016

Chairman of the General Meeting

Name: Torben Bille Nielsen

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Entity details

Entity

Metalfrio Solutions A/S
c/o Ole Moeslund Egedal 6
8800 Viborg

Central Business Registration No: 28664834

Founded: 07.07.2006

Registered in: Viborg

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Alexandre Augusto Brandao

Petros Diamantides

Marcelo Faria De Lima

Executive Board

Marcelo Passadore

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Gøteborgvej 18

9200 Aalborg SV

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Metalfrio Solutions 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.

Viborg, 09.06.2016

Executive Board

Marcelo Passadore

Board of Directors

Alexandre Augusto Brandao

Petros Diamantides

Marcelo Faria De Lima

Independent auditor's reports

To the owners of Metalfrío Solutions A/S

Report on the financial statements

We have audited the financial statements of Metalfrío Solutions 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. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Opinion

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

Emphasis of matter affecting the financial statements

Without qualifying our opinion, we refer to note 6 on credit risks related to trade receivables from Ukrainian customers on long credit terms. Management expects the receivables to be transferred to a group company at book value, and the valuation is based on this assumption. Based on our audit, we did not find any reason to take a different view of the valuation.

Furthermore, without qualifying our opinion, we refer to note 1, which states that Metalfrío Solutions S.A. has promised to support the component with the necessary cash to cover the Company's need in 2016. We consider this promise very important to support the going concern status of the Company.

Independent auditor's reports

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 financial statements.

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

Aalborg, 09.06.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

René Winther Pedersen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The Company's primary activities comprise sale of cooling and freezing cabinets for display and storage of ice, food and beverage.

Development in activities and finances

The financial performance for the year is negatively affected by DKK 44m as a result of the development in the Russian subsidiaries. The Russian investments are especially negatively affected due to the financial situation in Russia.

In the financial year, the Parent Company made an intercompany contribution to Metalfrio Solutions A/S of DKK 83m, which has been recognised in equity.

Trade receivables in Ukraine account for a substantial part of the Company's trade receivables. Management expects the receivables to be transferred at book value to a Ukrainian group enterprise but have made provisions to meet the increased financial and political risk in Ukraine.

Furthermore, in the financial year 2015, a contribution was made to the Russian owned subsidiaries of DKK 77m. The contribution was made to strengthen the capital composition in the group enterprises. The contribution has no earnings impact on Metalfrio Solutions A/S as in the financial year 2014 a provision was made for the negative balance in connection with recognition of subsidiaries at equity value.

Material assumptions and uncertainties

The Company's ultimate owner Metalfrio Solutions S.A. has issued a letter of support to Metalfrio Solutions A/S. Consequently, the annual report has been presented on a going concern basis.

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 B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these 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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and other operating income.

Accounting policies

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 is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises cost of sales for the financial year measured at cost, adjusted for ordinary inventory write-downs.

Distribution costs

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including wages and salaries for sales staff, advertising costs, travelling and entertainment expenses, etc as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment attached to the distribution process.

Administrative expenses

Administrative expenses comprise expenses incurred for the Entity's administrative functions, including wages and salaries for administrative staff and Management, stationary and office supplies as well as amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment used for administration of the Entity.

Other operating income

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

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

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, receivables 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.

Accounting policies

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised intra-group profits or losses.

Group enterprises with negative equity are measured at DKK 0, and any receivables from these enterprises are written down by the Parent's share of such negative equity value if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

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.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructurings, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Other financial liabilities

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

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Gross profit		1,151	1,181
Distribution costs		-712	-1,871
Administrative costs	2	<u>-2,877</u>	<u>-8,915</u>
Operating profit/loss		-2,438	-9,605
Income from investments in group enterprises		-44,126	-84,769
Other financial income	3	5,202	4,298
Other financial expenses	4	<u>-1,899</u>	<u>-3,487</u>
Profit/loss for the year		<u>-43,261</u>	<u>-93,563</u>
Proposed distribution of profit/loss			
Retained earnings		<u>-43,261</u>	<u>-93,563</u>
		<u>-43,261</u>	<u>-93,563</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Investments in group enterprises		0	0
Fixed asset investments	5	<u>0</u>	<u>0</u>
Fixed assets		<u>0</u>	<u>0</u>
Trade receivables	6	9,263	12,247
Receivables from group enterprises		48,617	1,502
Other short-term receivables		30	469
Prepayments	7	<u>27</u>	<u>27</u>
Receivables		<u>57,937</u>	<u>14,245</u>
Cash		<u>311</u>	<u>388</u>
Current assets		<u>58,248</u>	<u>14,633</u>
Assets		<u><u>58,248</u></u>	<u><u>14,633</u></u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK'000</u>	<u>2014 DKK'000</u>
Contributed capital	8	11,000	11,000
Retained earnings		<u>4,729</u>	<u>-49,011</u>
Equity		<u>15,729</u>	<u>-38,011</u>
Provisions for investments in group enterprises	9	<u>0</u>	<u>9,273</u>
Provisions		<u>0</u>	<u>9,273</u>
Trade payables		0	43
Debt to group enterprises		42,314	42,973
Other payables		<u>205</u>	<u>355</u>
Current liabilities other than provisions		<u>42,519</u>	<u>43,371</u>
Liabilities other than provisions		<u>42,519</u>	<u>43,371</u>
Equity and liabilities		<u><u>58,248</u></u>	<u><u>14,633</u></u>
Going concern	1		
Contingent assets	10		
Ownership	11		
Consolidation	12		

Statement of changes in equity for 2015

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	11,000	-49,012	-38,012
Exchange rate adjustments	0	14,263	14,263
Group contributions etc	0	82,739	82,739
Profit/loss for the year	0	-43,261	-43,261
Equity end of year	11,000	4,729	15,729

Notes

1. Going concern

Metalfrio Solutions S.A. has provided a letter of support confirming that they will support Metalfrio Solutions A/S financially in 2016 if required. Therefore, the financial statements have been presented on the assumption of going concern.

	2015 DKK'000	2014 DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation on property, plant and equipment	0	4
	0	4

	2015 DKK'000	2014 DKK'000
3. Other financial income		
Financial income arising from group enterprises	2,918	4,362
Other financial income	2,284	-64
	5,202	4,298

	2015 DKK'000	2014 DKK'000
4. Other financial expenses		
Financial expenses from group enterprises	1,935	3,478
Other financial expenses	-36	9
	1,899	3,487

Notes

	Investments in group enterprises DKK'000
5. Fixed asset investments	
Cost beginning of year	154,291
Additions	77,113
Cost end of year	231,404
Revaluations beginning of year	-154,291
Exchange rate adjustments	14,263
Share of profit/loss after tax	-44,126
Investments with negative equity depreciated over receivables	-37,977
Investments with negative equity transferred to provisions	-9,273
Revaluations end of year	-231,404
Carrying amount end of year	0

The negative net asset value of DKK 61,697k has been set off against receivables from subsidiaries.

	Registered in	Corporate form	Equity interest %
Subsidiaries:			
OOO Metalfrio Solutions	Kaliningrad	OOO	100.00
OOO Estate	Kaliningrad	OOO	100.00
OOO Caravell/Derby	Kaliningrad	OOO	100.00

6. Short-term trade receivables

Trade receivables from customers in Ukraine account for a substantial part of the Company's trade receivables. Management expects the receivables to be transferred to a Ukrainian group enterprise but have made provisions to meet the increased financial and political risk in the country.

7. Prepayments

Prepayments recognised under current assets comprise prepayment of cost.

Notes

	<u>Number</u>	<u>Par value DKK</u>	<u>Nominal value DKK'000</u>
8. Contributed capital			
Sharecapital	11,000,000	1.00	11,000
	<u>11,000,000</u>		<u>11,000</u>

9. Provisions for investments in group enterprises

Provisions in 2014 comprised negative net assets from fixed assets investments exceeding the value which has been set off against receivables from subsidiaries.

10. Contingent assets

At 31 December 2015, the Company reported a deferred tax asset of DKK 11,974k, which relates to tax loss carryforwards. The tax asset has not been recognised in the balance sheet due to uncertainty of the utilisation of the deferred tax asset.

11. Ownership

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

Metalfrio Solutions S.A.
Avenida Abrahão Goncalves Braga, No. 412, Vila Livieiro
Sao Paulo
Brazil

12. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Metalfrio Solutions S.A.

The consolidated financial statements of Metalfrio Solutions S.A. are available at the Company's address or on the Company's website www.metalfrio.com.br.