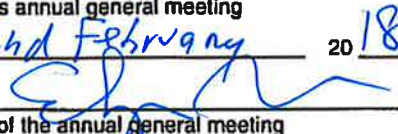


Metro Cash & Carry Danmark ApS

c/o Azets Insight A/S
Lyskær 3C
2730 Herlev

CVR no. 19033449

Annual report 2016/17

The annual report was presented and approved at the
Company's annual general meeting
on 2nd February 2018

chairman of the annual general meeting

Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Company details	6
Financial statements 1 October 2016 – 30 September 2017	7
Income statement	7
Balance sheet	8
Notes	10

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 Metro Cash & Carry Danmark ApS for the financial year 1 October 2016 – 30 September 2017.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2017 and of the results of the Company's operations for the financial year 1 October 2016 – 30 September 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 31 January 2018
Executive Board:



Nils Wolfgang Kulmann



Andreas Becker



Independent auditor's report

To the shareholders of Metro Cash & Carry Danmark ApS

Opinion

We have audited the financial statements of Metro Cash & Carry Danmark ApS for the financial year 1 October 2016 – 30 September 2017, comprising income statement, balance sheet and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2017 and of the results of the Company's operations for the financial year 1 October 2016 – 30 September 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit 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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.


Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

31 January 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Per Ejning Olsen
State Authorised
Public Accountant
MNE no. 9991

Metro Cash & Carry Danmark ApS
Annual report 2016/17
CVR no. 19033449

Company details

Metro Cash & Carry Danmark ApS
c/o Azets Insight A/S
Lyskær 3C
2730 Herlev

CVR no.	19 03 34 49
Established:	1. January 1996
Registered office:	Herlev
Financial year:	1 October 2016 – 30 September 2017

Executive Board

Nils Wolfgang Kulmann
Andreas Becker

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

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Financial statements 1 October 2016 – 30 September 2017

Income statement

DKK 000	Note	2016/17	2015/16
Revenue		0	0
Production costs		0	0
Gross profit/loss		0	0
Distribution costs		0	0
Administrative expenses		-518	-4,419
Ordinary operating loss		-518	-4,419
Other operating income		0	28,348
Other operating costs		0	0
Operating profit/loss		-518	23,929
Other financial income		0	236
Other financial expenses		-11	-1,765
Profit/loss before tax		-529	22,400
Tax on profit/loss for the year		0	0
Profit/loss for the year		-529	22,400
Proposed profit appropriation/distribution of loss			
Proposed dividends for the financial year		0	0
Retained earnings		-529	22,400
		-529	22,400

Financial statements 1 October 2016 – 30 September 2017

Balance sheet

DKK'000	Note	<u>2016/17</u>	<u>2015/16</u>
ASSETS			
Current assets			
Receivables			
Trade receivables		0	2,053
Receivables from group entities		0	0
Prepayments		0	15
Other receivables		57	222
Cash at bank and in hand		<u>13,746</u>	<u>14,324</u>
Total current assets		<u>13,803</u>	<u>16,614</u>
TOTAL ASSETS		<u>13,803</u>	<u>16,614</u>

Financial statements 1 October 2016 – 30 September 2017

Balance sheet

DKK'000	Note	<u>2016/17</u>	<u>2015/16</u>
EQUITY AND LIABILITIES			
Equity			
Contributed capital		10,000	10,000
Retained earnings		<u>2,934</u>	<u>-100,992</u>
Total equity	3	<u>12,934</u>	<u>-90,992</u>
Current liabilities other than provisions			
Trade payables		0	1,125
Payables to affiliates		0	104,446
Other payables		<u>869</u>	<u>2,035</u>
		<u>869</u>	<u>107,606</u>
Total liabilities other than provisions		<u>869</u>	<u>107,606</u>
TOTAL EQUITY AND LIABILITIES		<u>13,803</u>	<u>16,614</u>

Financial statements 1 October 2016 – 30 September 2017

Notes

1 Accounting policies

The annual report of Metro Cash & Carry Danmark ApS for 2016/17 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act, as well as selected rules applying to reporting class C.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Foreign currency translation

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

Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, 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 Company, including gains on the disposal of intangible assets and property, plant and equipment.

Other operating costs

Other operating costs comprise items secondary to the activities of the entities, including losses on the disposal of intangible assets and property, plant and equipment.

Financial statements 1 October 2016 – 30 September 2017

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, 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.

Dividends from equity investments in group entities and associates measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividend exceeds profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Tax on profit/loss for the year

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

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable 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. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Financial statements 1 October 2016 – 30 September 2017

Notes

1 Accounting policies (continued)

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

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.

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

2 Activity and comments to 2016/17 and the future

Up to the end of 2015, the activity of Metro Cash & Carry Danmark ApS was the sale of food and non food on a whole sale basis in the Danish market. The company has outlets in Copenhagen, Glostrup, Kolding, Aarhus and Aalborg.

The activity ceased 1 January 2015, at which the company merged with its Danish holding company Metro Danmark Holding ApS and Metro Properties Danmark ApS. During the period 1. January 2015 - 30 September 2016, the 5 properties in Copenhagen, Glostrup, Kolding, Aarhus and Aalborg were sold.

Metro Cash & Carry Danmark ApS is a subsidiary of the German based Metro AG Group. With effect from 1 October 2014, Metro Cash & Carry Danmark ApS was merged with its former Danish parent company, Metro Danmark Holding ApS, and its former Danish affiliated company, Metro Properties Danmark ApS, with Metro Cash & Carry Danmark ApS as the continuing company.

In 2016/17, the company has been without activity. As announced in the financial statements for 2015/16, the company received a group contribution of DKK 104 million during the year. After deduction of the loss for 2016/17, the net equity amounts to DKK 12 million.

It is expected that the company will be dissolved when the last outstanding matters are cleared. For 2017/18, the company expects a small loss depending on the outcome of the last pending issues as mentioned under Contractual obligations, contingencies etc..

Financial statements 1 October 2016 – 30 September 2017

Notes

3 Equity

DKK'000	Contributed capital	Retained earnings	Total
Balance at 1 October 2016	10,000	-123,392	-113,392
Transferred over the profit	0	22,400	22,400
Balance at 1 October 2016	10,000	-100,992	-90,992
Shareholder contribution	0	104,455	104,455
Transferred over the distribution of loss	0	-529	-529
Balance at 30 September 2017	10,000	2,934	12,934

Financial statements 1 October 2016 – 30 September 2017

Notes

4 Contractual obligations, contingencies, etc.

The buyer of one of the former properties has announced a claim totalling DKK 4 million against Metro Cash & Carry Danmark ApS for liabilities according to the sales agreement. The management of Metro Cash & Carry Danmark ApS believes that the claim is not justified and has therefore not provided for any loss related to this risk.

Due to significant losses in the past, Metro Cash & Carry Danmark ApS has deferred tax assets related to tax loss carry-forward. The assets is not recognized in the financial statements as the company does not expect to be able to utilize any part of the asset.

5 Related parties

The Company is wholly-owned by

Metro Cash & Carry International Holding B.V
Dalsteindreef 101-139
1112 XC Diemen
The Netherlands

The Company is included in the consolidated financial statements of Metro Danmark Holding ApS, Glostrup, and of Metro AG, Diemen, the Netherlands, whose financial statements can be obtained by contacting the Company.

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