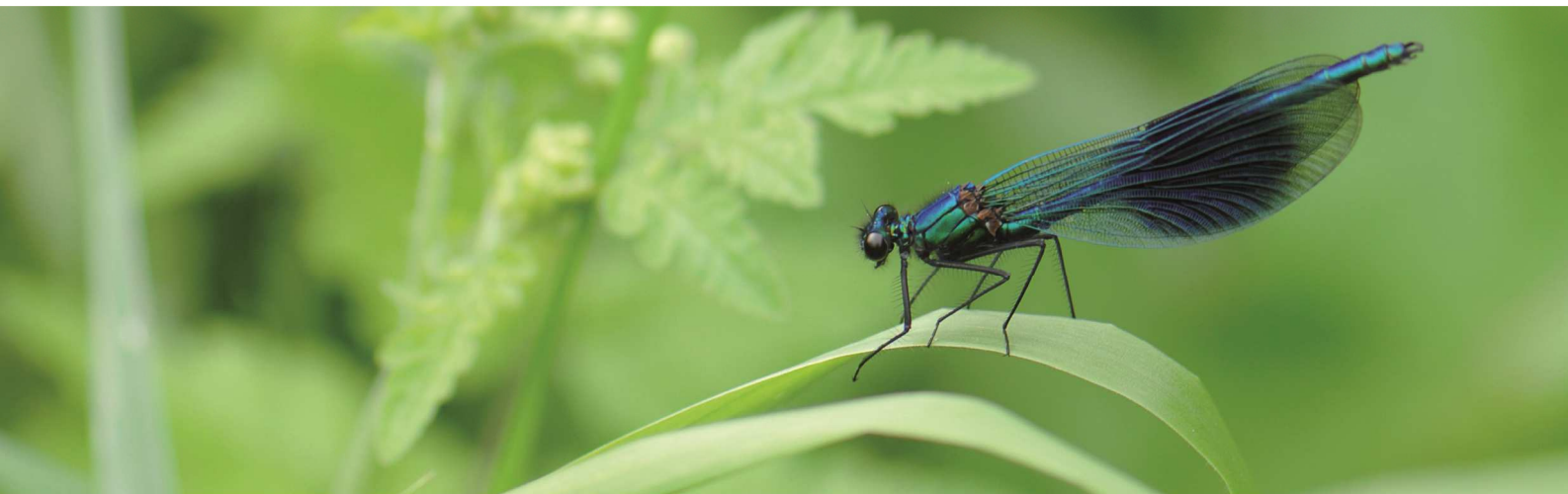


Marius Pedersen Holding A/S



ANNUAL REPORT 2016
MARIUS PEDERSEN HOLDING A/S
ØRBÆKVEJ 851
5863 FERRITSLEV, FYN
CENTRAL BUSINESS REGISTRATION NO. 25 11 67 63



The annual general meeting approved the annual report on / 2017

Chairman

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Company Details

Company

Marius Pedersen Holding A/S

Central Business Registration No. 25 11 67 63

Registered in: Faaborg-Midtfyn, Denmark

Telephone: +45 63 909 909

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Homepage: www.mariuspedersen.dk

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Board of Directors

Finn Junge Andersen, Chairman

Peter Schak Larsen, Deputy Chairman

Søren Klarskov Vilby

Birgit Elin Munck-Kampmann

Jens Flesner Kristiansen

Executive Board

Simon Hovgaard Clausen

Company auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Statement by Management on the Annual Report

The Board of Directors and the Executive Board have today considered and approved the annual report of Marius Pedersen Holding A/S for the financial year 1 January - 31 December 2016.

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 Company's financial position at 31.12.2016 and of the

results of its operations for the financial year 1 January - 31 December 2016.

In our opinion, 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.

Ferritslev, 29 May 2017

Executive Board

Simon Hovgaard Clausen

Board of directors

Finn Junge Andersen
Chairman

Peter Schak Larsen
Deputy Chairman

Søren Klarskov Vilby

Birgit Elin Munck-Kampmann

Jens Flesner Kristiansen

Independent Auditor's Report

To the shareholders of Marius Pedersen Holding A/S

Opinion

We have audited the financial statements of Marius Pedersen Holding A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31-12-2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities 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.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 applicable in Denmark will always detect a material misstatement when it exists. Misstatements can 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 users taken 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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

Odense, 29-05-2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Business Registration No 33 96 35 56

Lars Leopold Larsen

Ole Martin Hansen

State-Authorised

State-Authorised

Public Accountant

Public Accountant

Management Commentary

Primary activities

The Company is holding company of Marius Pedersen A/S, Denmark

Development in activities

Net income for the year after tax is DKK 165,1 million, which is an increase of DKK 22,6 million compared to 2015.

Profit for the year coming from Danish activities as well as profit coming from activities abroad has been better than expected in budget for 2016.

Profit for the year is considered satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which influence the evaluation of this annual report.

Outlook

The Company expects a continuing positive development in the activities and result.

Accounting Policies

The annual report for Marius Pedersen Holding A/S has been prepared in accordance with the provisions of the Danish Financial Statements Act class C enterprises (medium).

Referring to § 86 (4) of the Danish Financial Statements Act there has not been made any cash flow statement. The company's cash flow is included in the cash flow statement of the consolidated annual accounts of MPWM 2014 A/S.

Referring to § 112 (1) of the Danish Financial Statements Act the company has chosen not to prepare consolidated annual accounts.

The annual report was prepared according to the accounting policies applied the year before.

1. Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company, and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when the Company 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 Group, and the value of the liabilities 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 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. Value adjustments of financial assets and liabilities are recorded in the income statement as financial income or financial expenses.

2. 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. Fixed assets purchased in foreign currencies are translated using historical rates.

3. Statement of income

Revenue

Revenue from the sale of services, 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.

Administrative costs

Administrative costs comprise costs incurred for management and administration of the Group, including costs for the administrative staff and the Management, stationary and office supplies as well as depreciation and amortisation.

Financial income and expenses

These items comprise interest income and interest expenses as well as tax surcharge and repayment under the Danish Tax Prepayment Scheme.

Taxation

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit/loss for the year, and recognised directly on equity by the portion attributable to entries directly on equity. The portion of the tax taken to the income statement, which relates to extraordinary profit/loss for the year, is allocated to this entry whereas the remaining portion is taken to the year's profit/loss from ordinary activities.

The current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred tax is recognised and measured applying the liability method on all temporary differences between the carrying amount and tax-based value of assets and liabilities. The tax-based value of the assets is calculated based on the planned use of each asset.

Deferred tax is measured based on the tax regulations and tax rates that will be in effect, using the laws at the balance sheet date, when the deferred tax is estimated to be triggered as current tax. Changes in deferred tax resulting from changed tax rates are recognised in the income statement.

Deferred tax assets, including the tax base of tax loss carry forward, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

The Company is jointly taxed with enterprises within the Group. The current Danish income tax is allocated among the jointly taxed Danish companies proportionally to their taxable income (full allocation with a refund concerning tax losses).

Accounting Policies

4. Balance sheet

Goodwill on consolidation

Goodwill on consolidation is amortised straight-line over its estimated useful life, which is fixed based on the experience gained by the Management for each business area. The period of amortisation is usually 3 to 10 years, but 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer period of amortisation is considered to give a better reflection of the Group's benefit from the relevant resources.

The carrying amount of goodwill on consolidation is assessed recurrently and written down to recoverable amount, if the carrying amount exceeds the estimated future net income from the enterprise or activity to which the goodwill on consolidation is related.

Property, plant and equipment

Other tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset, until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other tools and equipment: 5 to 8 years.

Depreciation is recognised in the income statement under administrative expenses, respectively.

Plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement under other operating income or expenses, respectively.

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method. This means that in the balance sheet investments are measured at the pro rata share of the enterprises' equity plus or minus unamortised goodwill or badwill on consolidation and plus or minus unrealised intra-group profits or losses.

The Company's share of the enterprises' profits or losses after tax and elimination of unrealised intra-group profits and losses and minus or plus amortisation of goodwill or badwill on consolidation is recognised in the income statement.

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

Net revaluation of investments in subsidiaries and associates is taken to reserve for net revaluation under the equity method if the carrying amount exceeds cost.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less provisions for bad debts.

Dividend

Dividends are recognised as a liability at the time of adoption at the general meeting. The proposed dividends for the financial year are disclosed as a separate item under equity.

Statement of Income 2016

<i>In thousands of DKK</i>	Note	2016	2015
Administrative costs	1, 2	-15.974	-4.879
Other operating costs		-775	0
Operating profit		-16.749	-4.879
Profit on ordinary activities in group enterprises	3	178.206	146.128
Financial income	4	0	60
Financial expenses	5	-95	-103
Profit before taxation		161.362	141.206
Taxation on profit for the year	6	3.731	1.250
Profit for the year	7	165.093	142.456



Balance Sheet at 31.12.2016

<i>In thousands of DKK</i>	Note	2016	2015
Assets			
Other plants etc.	8	1.153	417
Property, plant and equipment		1.153	417
Participating interest in group enterprises	9	1.254.569	1.200.406
Non-current assets		1.254.569	1.200.406
Total non-current assets		1.255.722	1.200.823
Receivables from group enterprises		611	1.033
Tax receivable		3.734	2.543
Cash		11	934
Current assets		4.356	4.510
Total assets		1.260.078	1.205.333
Equity			
Share capital	10	27.977	27.977
Reserve for net revaluation according to the equity method		299.471	305.676
Retained earnings		689.168	740.913
Proposed dividends for the financial year		220.000	122.000
Total equity		1.236.616	1.196.566
Liabilities			
Accounts owed to group enterprises		14.654	8.010
Other payables		8.808	757
Current liabilities other than provisions		23.462	8.767
Total liabilities		1.260.078	1.205.333
Securities and contingent liabilities etc.	11		
Ownership	12		
Consolidation	13		

Statement of Changes in Equity

<i>In thousands of DKK</i>	Share capital	Reserve for net revaluation	Retained earnings	Proposed dividends for financial year	Total
Balance at 1 January 2015	27.977	143.376	866.585	0	1.037.938
Dividends paid	0	0	0	0	0
Extraordinary dividend during the year	0	0	0	0	0
Net profit / loss for the year 2015	0	146.128	-125.672	122.000	142.456
Exchange rate adjustments	0	16.172	0	0	16.172
Balance at 31 December 2015	27.977	305.676	740.913	122.000	1.196.566
Balance at 1 January 2016	27.977	305.676	740.913	122.000	1.196.566
Dividends paid	0	-121.000	121.000	-122.000	-122.000
Other adjustments in capital	0	-60.368	60.368	0	0
Net profit / loss for the year 2016	0	178.206	-233.113	220.000	165.093
Exchange rate adjustments	0	-3.043	0	0	-3.043
Balance at 31 December 2016	27.977	299.471	689.168	220.000	1.236.616



Notes

- 13** 1. Depreciation
- 13** 2. Staff costs
- 13** 3. Profit on ordinary activities in group enterprises
- 13** 4. Financial income
- 13** 5. Financial expenses
- 13** 6. Tax on profit / Loss for the year
- 14** 7. Proposed distribution of profit/loss
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- 14** 9. Investments in group enterprises
- 15** 10. Share capital
- 15** 11. Securities and contingent liabilities etc.
- 15** 12. Ownership
- 15** 13. Consolidation

Notes

1. Depreciation

<i>In thousands of DKK</i>	2016	2015
Depreciation of the year is included in the below mentioned entry		
Administrative costs	211	83
	211	83

2. Staff costs

<i>In thousands of DKK</i>	2016	2015
Wages and salaries	15.438	4.500
	15.438	4.500
From this total fee for the company:		
Executive board	1.316	375
Board of directors	858	375
Average number of employees	1	1

In addition to the stated management fee in the note, the company also has expensed fees for other Group companies. The fees are influenced by the changes in management in 2016.

3. Profit on ordinary activities in group enterprises

<i>In thousands of DKK</i>	2016	2015
Group enterprises operating profit	201.466	169.388
Depreciation, consolidated goodwill	-23.260	-23.260
	178.206	146.128

4. Financial income

<i>In thousands of DKK</i>	2016	2015
Other interest income	0	60
	0	60

5. Financial expenses

<i>In thousands of DKK</i>	2016	2015
Interest expenses from group enterprises	93	102
Other interest expenses	2	1
	95	103

6. Tax on profit/loss for the year

<i>In thousands of DKK</i>	2016	2015
Current tax	-3.734	-1.145
Deferred tax	31	0
Change previous year	-28	-105
	-3.731	-1.250

Notes

7. Proposed distribution of profit/loss

<i>In thousands of DKK</i>	2016	2015
Dividends for the financial year	220.000	122.000
Transfer to reserve for net revaluation under the equity method	178.206	146.128
Retained earnings	-233.113	-125.672
	165.093	142.456

8. Property, plant and equipment

<i>In thousands of DKK</i>	Other plants etc.
Balance at 1 January 2016	500
Additions during the year	947
Disposals during the year	0
Balance at 31 December 2016	1.447
Depreciation at 1 January 2016	83
Depreciation as to the year's disposal	0
Depreciation for the year	211
Depreciation at 31 December 2016	294
Book value at 31 December 2016	1.153

9. Investments in group enterprises

<i>In thousands of DKK</i>	2016	2015
Cost at 1 January	955.098	955.098
Cost price at 31 December	955.098	955.098
Net revaluation at 1 January	245.308	83.008
Exchange adjustments	-3.043	16.172
Amortisation, consolidated goodwill	-23.260	-23.260
Profit/loss for the year	201.466	169.388
Dividends paid	-121.000	0
Net revaluation at 31 December	299.471	245.308
Carrying amount at 31 December	1.254.569	1.200.406

Consolidated goodwill of TDKK 76.275 is included in book value.

Investments in group enterprises comprise:
Marius Pedersen A/S, Faaborg-Midtfyn, 100%

Notes

10. Share capital

The share capital consists of 279.770 shares at DKK 100. The shares have not been divided into classes.

There have been no changes in share capital the last five years.

11. Securities and contingent liabilities etc.

Shares in Marius Pedersen A/S, thousands DKK 1.254.569, have been pledged as security for bank debt amounting to thousands DKK 441.423.

Guarantee commitments

The Company guarantees as follows:

<i>In thousands of DKK</i>	2016	2015
Group enterprises' outstanding accounts with banks	29.737	29.850

Contingent liabilities

Joint taxation

Marius Pedersen Holding A/S and its Danish subsidiaries are jointly taxed in MPWM 2014 A/S. The Company thus has secondary liability with respect to income taxes etc. and any obligation to withhold taxes on interest, royalties and dividends applying to the jointly taxed companies. Such secondary liability is, however, capped at an amount equal to the portion of the share capital in the Company held directly or indirectly by the ultimate parent.

12. Ownership

The following shareholders hold more than 5% of the Company's share capital:

MPWM 2014 A/S, Faaborg-Midtfyn

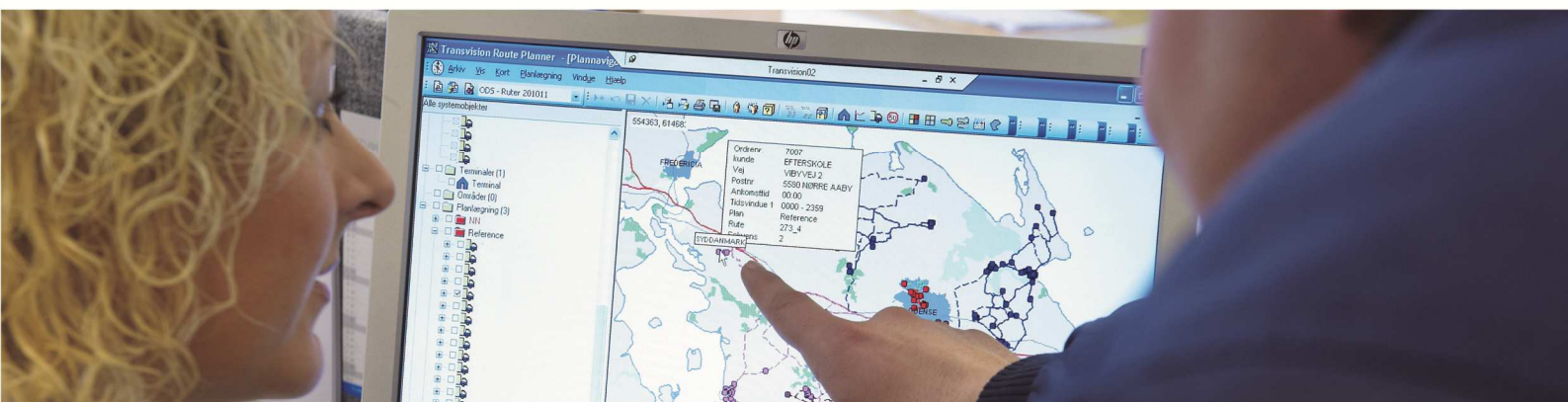
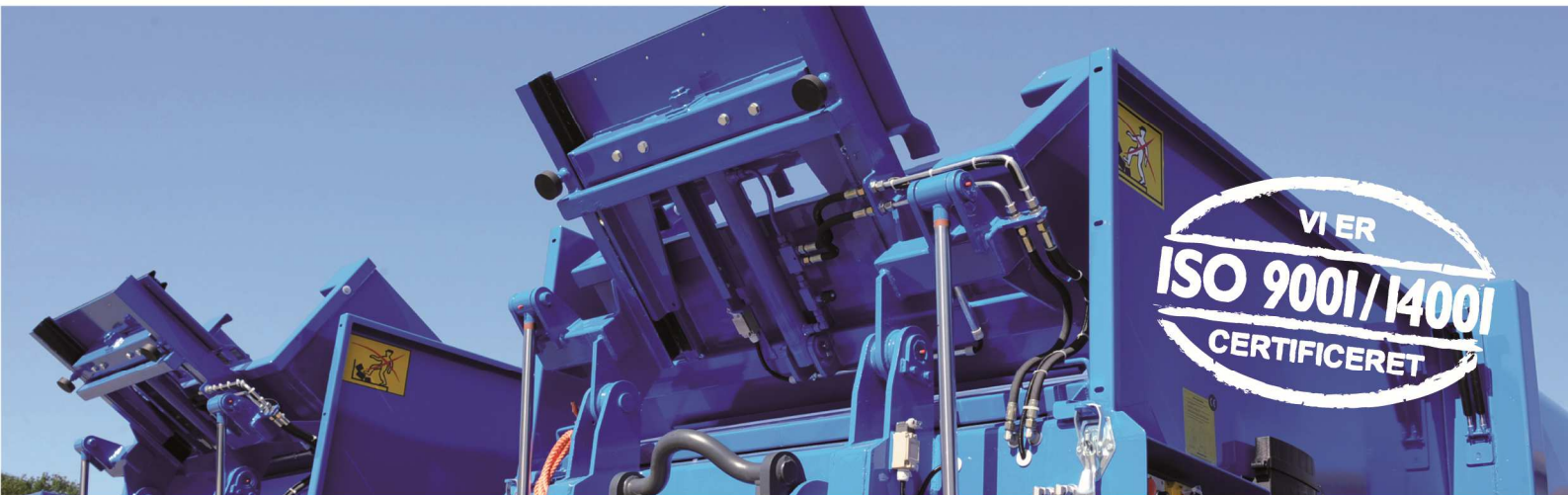
Ultimate shareholder: Entreprenør Marius Pedersens Fond, Faaborg-Midtfyn.

13. Consolidation

Marius Pedersen Holding A/S group enterprises are included in the following consolidated financial statements:

MPWM 2014 A/S, Ørbækvej 851, 5863 Ferritslev Fyn. CVR 35846735.





Marius Pedersen 
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