

LGT Holding Denmark ApS

**c/o Harbour House, Sundkrogsgade 21, DK-
2100 Copenhagen**

CVR no 25 76 71 95

Annual report for 2016

Adopted at the annual general meeting
on 19 May 2017



Pernille Ohlsen
Chairman

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Statement by Management on the annual report

The Executive and Supervisory Boards have today discussed and approved the annual report of LGT Holding Denmark ApS for the financial year 1 January - 31 December 2016.

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 financial position at 31 December 2016 and of the results of the the Company's operations for the financial year 1 January - 31 December 2016.

In our opinion, Management's review includes a fair review of the matters dealt with in the Management's review.

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 19 May 2017

Executive Board

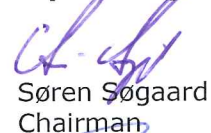


Pernille Ohlsen



Vibeke Seyfarth

Supervisory Board



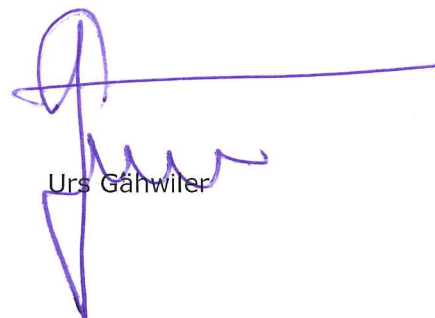
Søren Søgaard
Chairman



Ivo Robert Enderli



Olivier de Perregaux



Urs Gähwiler

Independent auditor's report

To the shareholder of LGT Holding Denmark ApS

Opinion

We have audited the financial statements of LGT Holding Denmark ApS for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, notes and summary of significant accounting policies, including a summary of significant accounting policies. The financial statements are prepared under 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 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 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 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 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 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 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

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover 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 Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Independent auditor's report

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

Based on the work we have performed, we conclude that 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 Management's Review.

Copenhagen, 19 May 2017

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-nr. 33 77 12 31



Jesper Edelbo
State Authorised Public Accountant



Allan Knudsen
State Authorised Public Accountant

Company details

The Company

LGT Holding Denmark ApS
c/o Harbour House
Sundkrogsgade 21
DK-2100 Copenhagen

CVR no.: 25 76 71 95
Reporting period: 1 January - 31 December
Incorporated: 1. December 2000
Domicile: Copenhagen

Supervisory Board

Søren Søgaard, Chairman
Olivier de Perregaux
Urs Gähwiler
Ivo Robert Enderli

Executive Board

Pernille Ohlsen
Vibeke Seyfarth

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

General meeting

The annual general meeting is held at the Company's adress on 19 May 2017.

Management's review

Business activities

The principal activity of the Company is to hold shares, carry out business in the line of trade and industry, and related business.

Recognition and measurement uncertainties

The recognition and measurement of items in the financial statements is not subject to any uncertainty.

Unusual matters

The Company's financial position at 31 December 2016 and the results of its operations for the financial year ended 31 December 2016 are not affected by any unusual matters.

Business review

The Company's income statement for the year ended 31 December shows a loss of CHF'000 146, and the balance sheet at 31 December 2016 shows equity of CHF'000 114,350.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2016 CHF'000	2015 CHF'000
Revenue		57	73
Other external expenses		-85	-100
Gross profit		-28	-27
Staff costs	1	-105	-116
Profit/loss before financial income and expenses		-133	-143
Income from investments in subsidiaries	2	10	2,976
Financial income		4	10
Impairment losses on financial assets		0	-43,146
Financial costs	3	-27	-47
Profit/loss before tax		-146	-40,350
Tax on profit/loss for the year	4	0	0
Net profit/loss for the year		-146	-40,350
Proposed distribution of profit			
Retained earnings		-146	-40,350
		-146	-40,350

Balance sheet 31 December

	Note	2016 CHF'000	2015 CHF'000
Assets			
Investments in subsidiaries	5	129,501	131,882
Fixed asset investments		129,501	131,882
Fixed assets total		129,501	131,882
Trade receivables		71	91
Other receivables		0	1
Receivables		71	92
Cash at bank and in hand		108	108
Current assets total		179	200
Assets total		129,680	132,082

Balance sheet 31 December

	<u>Note</u>	<u>2016</u> CHF'000	<u>2015</u> CHF'000
Liabilities and equity			
Share capital		9,309	9,309
Retained earnings		69,155	69,301
Dividend fund		<u>35,886</u>	<u>35,886</u>
Equity	6	<u>114,350</u>	<u>114,496</u>
Trade payables		13	13
Payables to associates		15,301	17,551
Other payables		<u>16</u>	<u>22</u>
Short-term debt		<u>15,330</u>	<u>17,586</u>
Debt total		<u>15,330</u>	<u>17,586</u>
Liabilities and equity total		<u>129,680</u>	<u>132,082</u>
Contingent assets, liabilities and other financial obligations	7		
Charges and securities	8		

Notes

	<u>2016</u>	<u>2015</u>
	CHF'000	CHF'000
1 Staff costs		
Wages and salaries	103	114
Other social security costs	<u>2</u>	<u>2</u>
	<u>105</u>	<u>116</u>
Average number of employees	<u>2</u>	<u>2</u>
	<u>2016</u>	<u>2015</u>
	CHF'000	CHF'000
2 Income from investments in subsidiaries		
Dividend received from subsidiaries	<u>10</u>	<u>2,976</u>
	<u>10</u>	<u>2,976</u>
	<u>2016</u>	<u>2015</u>
	CHF'000	CHF'000
3 Financial costs		
Financial expenses, group entities	22	27
Other financial costs	1	0
Exchange adjustments costs	<u>4</u>	<u>20</u>
	<u>27</u>	<u>47</u>

4 Tax on profit/loss for the year

The Company has a potential deferred tax asset in the amount of CHF 2,304,695 which the Company has chosen not to recognise.

Notes

	2016	2015
	CHF'000	CHF'000
5 Investments in subsidiaries		
Cost at 1 January 2016	177,003	177,003
Disposals for the year	-2,381	0
Cost at 31 December 2016	<u>174,622</u>	<u>177,003</u>
Revaluations at 1 January 2016	-45,121	-1,975
Revaluations for the year, net	<u>0</u>	<u>-43,146</u>
Revaluations at 31 December 2016	<u>-45,121</u>	<u>-45,121</u>
Carrying amount at 31 December 2016	<u><u>129,501</u></u>	<u><u>131,882</u></u>

6 Equity

	Share capital	Retained earnings	Dividend fund	Total
Equity at 1 January 2016	9,309	69,301	35,886	114,496
Net profit/loss for the year	<u>0</u>	<u>-146</u>	<u>0</u>	<u>-146</u>
Equity at 31 December 2016	<u><u>9,309</u></u>	<u><u>69,155</u></u>	<u><u>35,886</u></u>	<u><u>114,350</u></u>

7 Contingent assets, liabilities and other financial obligations

The Company has not assumed any liabilities, in excess of the liabilities resulting from its ordinary business.

8 Charges and securities

Affiliated companies have issued letters of subordination in favor of other creditors of the Company. The subordination concerns all debt to affiliated companies amounting to CHF 15,300k at 31 December 2016 (2015: CHF 17,550k).

Accounting policies

The annual report of LGT Holding Denmark ApS for 2016 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied are consistent with those of last year.

The annual report for 2016 is presented in CHF.

Currency exchange rate (CHF/DKK):

31/12/15: 686.38

31/12/16: 693.57

Pursuant to §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

The consolidated annual report from the company's ultimate parent LGT Group Foundation can be obtained from LGT Group Foundation, Herrengasse 12, FL-9490 Vaduz, Liechtenstein and at www.lgt.com.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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 asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities is measured at cost. On subsequent recognition, assets and liabilities is measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report are presented and which confirm or invalidate matters existing at the balance sheet date.

Accounting policies

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Profit/loss from investments in subsidiaries and associates

Dividend from investments is recognised in the reporting year in which the dividend is declared.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

Balance sheet

Investments in subsidiaries and associates

Investment in subsidiaries and associates are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Accounting policies

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Equity

Dividend

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability at the date of declaration by the annual general meeting.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss allowed for carry forward are measured at the value to which the asset is expected to be realised, either by elimination in tax on future income or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Liabilities, which include trade receivables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign-exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.