Grenkeleasing ApS

Marielundvej 48, 3.

2730 Herlev

CVR No. 26914841

Annual Report 2016

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 16/5-2017

Chairman

Contents

Management's Statement

Today, Management has considered and adopted the Annual Report of Grenkeleasing ApS for the financial year 1 January 2016 - 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 assets, liabilities and financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January 2016 - 31 December 2016.

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

Herlev, 11 May 2017

Executive Board

Nick Hallager

Conradus Aarnink

Independent Auditor's Report

To the shareholders of Grenkeleasing ApS

Opinion
We have audited the financial statements of Grenkeleasing ApS for the financial year 1. januar 2016 - 31. december 2016, which comprise an income statement, balance sheet and notes. 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 financial position at 31. december 2016 and of the results of its operations for the financial year 1. januar 2016 - 31. december 2016 in accordance with the Danish Financial Statements Act.

Basis of opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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 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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

The auditor's responsibility for the audit of the financial statements
Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

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

* Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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.

Independent Auditor's Report

* Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.

* Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.

* Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Copenhagen, 11 May 2017

Ernst & Young
Godkendt Revisionspartnerselskab
CVR-no. 30700228

Henrik Barner Christiansen
State Authorised Public Accountant

Company details

Company	Grenkeleasing ApS Marielundvej 48, 3. 2730 Herlev
CVR No.	26914841
Date of formation	13 December 2002
Registered office	Herlev
Financial year	1 January 2016 - 31 December 2016
Executive Board	Nick Hallager Conradus Aarnink
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 P O Box 250 2000 Frederiksberg CVR-no.: 30700228

Management's Review

The Company's principal activities
The Company's activities comprise the estabilshment and administration of lease agreements.

The Company's leasing business focuses on leasing of IT products, such as PCs, notesbooks, servers, monitors and peripheral devises, software, telecommunication and copier equipment, and other IT products. Almost all leases concluded to provide for full cost recovery (full payout leases). This means that the payment made by the lessee during the basis lease period, and the guaranteed residual values exceeds the acquisition price and contract cost.

Unusual matters having affected the financial statements

Going concern
The Company's operations are primarily financed via intercompany loans with the Group's financing company.

Management asseses that the current financing resources of the Company are sufficient to finance the Company's operations at least until 31 December 2017. On this basis, Management presents the financial statements for 2016 on a going concern assumption.

Development in activities and financial matters
The Company's Income Statement of the financial year 1. januar 2016 - 31. december 2016 shows a result of DKK 8.582.837 and the Balance Sheet at 31. december 2016 a balance sheet total of DKK 415.604.354 and an equity of DKK 22.237.511.

Post balance sheet events
No other significant events have occurred subsequent to the financial year end.

Income Statement

	Note	2016 DKK	2015 DKK
Gross profit/loss		**-1.430.927**	**-2.767.915**
Employee benefits expense	1	-9.583.778	-7.987.510
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss		-140.931	-107.575
Profit/loss from ordinary operating activities		**-11.155.636**	**-10.863.000**
Finance income	2	31.974.861	27.806.340
Finance expences	3	-10.703.463	-9.893.047
Profit from ordinary activities before tax		**10.115.762**	**7.050.293**
Tax expense on ordinary activities	4	-1.532.925	-1.850.870
Profit		**8.582.837**	**5.199.423**
Proposed distribution of results			
Retained earnings		8.582.837	5.199.423
Distribution of profit		**8.582.837**	**5.199.423**

Balance Sheet as of 31. December

	Note	2016 DKK	2015 DKK
Assets			
Fixtures, fittings, tools and equipment	5	2.746.339	1.592.256
Property, plant and equipment		**2.746.339**	**1.592.256**
Lease receivables		286.241.027	240.418.300
Investments		**286.241.027**	**240.418.300**
Fixed assets		**288.987.366**	**242.010.556**
Lease receivables		116.195.323	107.154.170
Other short-term receivables		3.739.172	3.756.545
Deferred income		292.582	233.980
Receivables		**120.227.077**	**111.144.695**
Cash and cash equivalents		**6.389.911**	**5.659.567**
Current assets		**126.616.988**	**116.804.262**
Assets		**415.604.354**	**358.814.818**

Balance Sheet as of 31. December

	Note	2016 DKK	2015 DKK
Liabilities and equity			
Contributed capital	6	2.075.000	2.075.000
Retained earnings		20.162.511	11.579.674
Equity		**22.237.511**	**13.654.674**
Provisions for deferred tax		3.458.795	1.925.870
Provisions		**3.458.795**	**1.925.870**
Payables to group enterprises		329.300.000	242.000.000
Long-term liabilities other than provisions	7	**329.300.000**	**242.000.000**
Trade payables		1.177.802	552.862
Payables to group enterprises		55.142.811	97.594.239
Other payables		4.287.435	3.087.173
Short-term liabilities other than provisions		**60.608.048**	**101.234.274**
Liabilities other than provisions within the business		**389.908.048**	**343.234.274**
Liabilities and equity		**415.604.354**	**358.814.818**

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	2016 DKK	2015 DKK
1. Employee benefits expense		
Wages and salaries	7.568.757	6.464.864
Post-employement benefit expense	886.662	669.269
Other employee expense	1.128.359	853.377
	9.583.778	**7.987.510**
Average number of employees	15	14
2. Finance income		
Interest income from finance lease arrangements	31.358.612	27.346.072
Other interest income	616.249	460.268
	31.974.861	**27.806.340**
3. Finance expenses		
Finance expenses arising from group enterprises	10.700.933	9.866.659
Other finance expenses	2.530	26.388
	10.703.463	**9.893.047**
4. Tax expense on ordinary activities		
Deferred tax adjustments in the year	1.532.925	1.850.870
	1.532.925	**1.850.870**
5. Fixtures, fittings, tools and equipment		
Cost at the beginning of the year	3.033.630	3.427.485
Addition during the year, incl. improvements	1.174.046	60.074
Disposal during the year	-1.040.688	-1.624.277
Transfers during the year from other items	1.208.786	1.170.348
Cost at the end of the year	**4.375.774**	**3.033.630**
Depreciation and amortisation at the beginning of the year	-1.441.374	-1.060.915
Amortisation for the year	-355.541	-107.575
Reversal of impairment losses and amortisation of disposed assets	167.480	-272.884
Impairment losses and amortisation at the end of the year	**-1.629.435**	**-1.441.374**
Carrying amount at the end of the year	**2.746.339**	**1.592.256**
Amortised over		3-5 years
6. Contributed capital		
Balance at the beginning of the year	2.075.000	2.075.000
Balance at the end of the year	**2.075.000**	**2.075.000**

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

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7. Long-term liabilities other than provisions

Of the non-current liabilities other than provisions, DKK 0 fall due for payment after more than 5 years after the balance sheet date.

8. Going concern assumption

The Company's operations are primarily financed via intercompany loans with the Group's financing company. Management assesses that the current financing resources of the Company are sufficient to finance the Company's operations at least until 31 December 2017. On this basis, Management presents the financial statements for 2016 on a going concern assumption.

9. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

10. Collaterals and securities

The Company has not placed any assets as security for loans 31 December 2016.

11. Liabilities under leases

Rent and lease liabilities DKK 1.177.058 (2015: DKK 375.866)

12. Related parties

Name and registered office of the Parent preparing consolidated financial statement:

GRENKE AG, Neuer Markt 2, Baden-Baden, Germany

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

GRENKE AG, Neuer Markt 2, Baden-Baden, Germany

13. Accounting Policies

Reporting Class
The Annual Report of Grenkeleasing ApS for 2016 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

Leases
Determination of whether an arrangement contains a lease.

Whether an aarangement is, or contains, a lease is determined by the economic substance of the arrangement at the time the contract is concluded. It requires an assessment as to whether the fulfillment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset. A reassessment as to whether an arrangement contains a lease is only required after the start of the lease when one of the following conditions has been met:

There was a change in the contractual conditions, unless the change only renewed or extended the arrangement;
A renewal option was exercised or an extension was granted, unless the term of the renewal or extension had initially been considered in the lease term;
There was a change in determination of whether fulfillment is dependent on a specified asset; or
There was a substantial change made to the asset.

Finance lease

Under a finance lease, all significant risks and rewards of legal ownership are transferred from the lessor to the lessee. The outstanding lease payment are thus treated by the lessor as repayments of principal and finance income. the lease payments are used to reimburse the lessor for his financial investment and to compensate him for his services. Assets from finance leases are initially recognised in the balance sheet as lease receivables at an amount equal to the net investment i.e., the present value of the residual receivables of all lease contracts existing at the end of a fiscal year. Lease payments are divided into interest payments and repayments in such a manner that they reflect a constant periodic rate of return for the receivable. initial direct costs incurred in connection when calculating the net investment value. These initial direct costs are recognised in profit and loss upon occurence.

The profit from new business also includes income from lease down-payments, which id the fee paid by the lessee for the use of the lease object during the period from the transfer of the object until the issance of the lease acceptance letter. Commissions which are not included in the net investment value of the lease receivable but are recognised in the income statement.

Operating lease

Leases, where the Company does not transfer all significant risks and rewards of ownership of the asset to the asset to the lessee, are classified as operating leases. Initial direct costs incurred in the negotiation and conclusion of an operating lease are added to the carrying amount of the leased asset. These amounts are depreciated over the term of the lease agreement until the residual value is reached. Contingent rent is recognised as income in the period in which it is generated. operating lease assets are typical recorded in the income statement as property, plant and equipment.

After the original lease has expired, the contract may be extended or a follow-up contract may be concluded. This leads to a reassessment of the lease. In cases where the criteria for an operating lease are met, the leased asset is

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recorded as property, plant and equipment from the start of the extension period and recognised at fair value.

Income Statement

Gross profit/loss
With reference to Section 32 of the Danish Financial Statements Act, the item 'Revenue', 'Cost of sale', 'other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross proft/loss'.

Revenue
Income from the rendering of services is recognised as revenue as the services are rendered, implying that revenue corresponds to the market value of the services rendered in the year.

Revenue is measured at fair value of the agreed consideration exclusive of VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Income from the sale of lease assets is recognised when the relvant risks and rewards of the ownership of the sold goods have been transferred to the costumer. Usually it occurs upon delivery of the goods to the costumer.

Income from sale after the basic lease contract has enden or from lease contracts prematurely terminated bu mutal agreement are recorded in revenue as gains from disposals and income from sale as breached lease agreements are recorded in revenue as settlement of claims and risk provisions.

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

Employee benefits expense
Emplyee benefits expense include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc., made to the Company's emplouees. The item is net of refunds made by public authorities.

Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets recognised in profit or loss
The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Finance income and expenses
Finance income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Finance income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax repayment scheme.

Interest income relating to lease receivables is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease. Please refer to the section on lease above.

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Tax expense on ordinary activities
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.

Balance Sheet

Property, plant and equipment
Items of property, plant and equipment are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

Receivables
Lease receivables: Leases for fixes assets that transfer substantially all the risks and rewards incident to ownership to the Company (finance lease) are initially recognised in the balance sheet at cost, corresponding to the lower of fair value and the net present value of future lease payments. In calculating the net present value of the future lease payments, the interest rate implicit in the lease or the incremental borrowing rate is used as the disount factor.

Other receivables are measured at amortised cost.

An impairment loss is recognised if there is objective indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual recievable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. the portfolios are primarily composed on the basis of debtors' domicle and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portifolios are determined based on historical loss experience.

Write-downs are calculated as the diffenrence between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. the effective interest rate for the individual reveivable or portfolio is used as discount rate.

Prepayments
Prepayments recognised under 'Assets' comprise prepaid expenses regarding subsequent finacial reporting years.

Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Corporation tax
Current tax payable and receivable is recognosed in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Provisions for deffers tax are calculated using the balance sheet liability method on all temporary diffenrences between carrying amounts and tax values, with the exeption of temporary diffences occuring at the tim of acquisition of asset and liabilities neither affecting the results of operations nor teh tax taxable income.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet dat when the defferd tax is ecpected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Notes

Financial liabilities
Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. in subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value uslng the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.