

Consolis Denmark A/S

Akacievej 1
2640 Hedehusene
Denmark

CVR no. 31 05 81 12

Annual report 2016

The annual report was presented and approved at the
Company's annual general meeting on

14 June 2017

chairman

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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 Consolis Denmark A/S 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 assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016.

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.

Hedehusene, 14 June 2017
Executive Board:

Michael Alan Ogden

Board of Directors:

Nicolas Yatzimirsky
Chairman

Michael Alan Ogden

Emmanuelle Claire
Cochard



Independent auditor's report

To the shareholder of Consolis Denmark A/S

Opinion

We have audited the financial statements of Consolis Denmark A/S for the financial year 1 January – 31 December 2016 comprising income statement, balance sheet, statement of changes in equity 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 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 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.



Independent auditor's report

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 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,



Independent auditor's report

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.

København, 14 June 2017

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mark Palmberg
State Authorised
Public Accountant

Consolis Denmark A/S
Annual report 2016
CVR no. 31 05 81 12

Management's review

Company details

Consolis Denmark A/S
Akacievej 1
2640 Hedehusene
Denmark

CVR no.: 31 05 81 12
Established: 11 September 2007
Registered office: Hedehusene
Financial year: 1 January – 31 December

Board of Directors

Nicolas Yatzimirsky, Chairman
Michael Alan Ogden
Emmanuelle Claire Cochard

Executive Board

Michael Alan Ogden

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
Denmark

Management's review

Operating review

Principal activities

The objective of the Company is to acquire and hold shares in other companies.

Development in activities and financial position

The Company realised a loss of DKK 13.1 million (2015: a loss of DKK 177.0 million).

Capital resources

So far, the Company has financed its operations over its loan from the parent company, Consolis SAS. The parent company has issued a letter of support to the Company regarding the continued support with financing of operations.

Events after the balance sheet date

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2016	2015
Administrative expenses		<u>-114</u>	<u>-108</u>
Operating loss		-114	-108
Financial income from group entities		0	-161,826
Financial income		358	203
Financial expenses	2	<u>-14,440</u>	<u>-15,288</u>
Loss before tax		-14,196	-177,019
Tax on profit/loss for the year		<u>1,064</u>	<u>0</u>
Loss for the year		<u><u>-13,132</u></u>	<u><u>-177,019</u></u>

Proposed distribution of loss

Retained earnings		<u>-13,132</u>	<u>-177,019</u>
		<u><u>-13,132</u></u>	<u><u>-177,019</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
ASSETS			
Fixed assets			
Investments	3		
Equity investments in group entities		<u>236,530</u>	<u>236,530</u>
		<u>236,530</u>	<u>236,530</u>
Total fixed assets		<u>236,530</u>	<u>236,530</u>
Current assets			
Receivables			
Receivables from group entities		<u>2,473</u>	<u>2,286</u>
		<u>2,473</u>	<u>2,286</u>
Cash at bank and in hand		<u>366</u>	<u>368</u>
Total current assets		<u>2,839</u>	<u>2,654</u>
TOTAL ASSETS		<u><u>239,369</u></u>	<u><u>239,184</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2016	2015
EQUITY AND LIABILITIES			
Equity			
Share capital		40,000	40,000
Share premium		183,568	183,568
Retained earnings		-495,311	-482,179
Total equity		-271,743	-258,611
Liabilities other than provisions			
Non-current liabilities other than provisions			
Subordinary loan capital		400,123	401,641
		400,123	401,641
Current liabilities other than provisions			
Trade payables		200	486
Payables to group entities		110,789	95,668
		110,989	96,154
Total liabilities other than provisions		511,112	497,795
TOTAL EQUITY AND LIABILITIES		239,369	239,184
Contractual obligations, contingencies, etc.	4		
Related party disclosures	5		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2016	40,000	183,568	-482,179	-258,611
Loss for the year	<u>0</u>	<u>0</u>	<u>-13,132</u>	<u>-13,132</u>
Equity at 31 December 2016	<u>40,000</u>	<u>183,568</u>	<u>-495,311</u>	<u>-271,743</u>

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Consolis Denmark A/S for 2016 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, dividends from equity investments in subsidiaries recognised at cost are always recognised in the income statement. In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividends 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. Previously, cost was reduced to the extent that distributed dividends exceeded accumulated earnings after the acquisition date.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of cash flow statement

Pursuant to section 112(1) of the Danish Financial Statements Act, consolidated financial statements have not been prepared as the Company and its group entities are included in the consolidated financial statements of Consolis Holding SAS. Furthermore, in accordance with section 86(4) of the Danish Financial Statements Act, the Company has not prepared a cash flow statement. The cash flow statement is included in the consolidated financial statements of Consolis Holding SAS.

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Income statement

Administrative expenses

Administrative expenses comprise expenses incurred during the year for administration.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on 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.

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 sheet

Intangible assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight line basis over its useful life, which is assessed at 10 years.

Gains or losses are recognised in the income statement as other operating income or other operating expenses, respectively.

Impairment of non-current assets

The carrying amount of equity investments is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Equity investments in group entities

Equity investments in group entities and associates are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. 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.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at net realisable value.

Corporation tax and deferred tax

Current tax payable and receivable is recognised 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.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 from equity investments in group entities

The proportionate share of the individual subsidiaries' profit/loss after tax is recognised in the Company's income statement after full elimination of intra-group gains/losses and amortisation of goodwill.

Equity investments in group entities

Equity investments in group entities are measured at the proportionate share of the entities' net asset value calculated in accordance with the Group's accounting policies plus or minus unrealised intra-group gains or losses and plus or minus the residual value of positive and negative goodwill calculated in accordance with the acquisition method.

Equity investments in group entities with negative net asset values are measured at DKK 0, and any receivables from these entities are written down by an amount equivalent to the negative net asset value. To the extent that the negative net asset value exceeds the receivable, the residual amount is recognised as provisions.

Net revaluation of equity investments in group entities is tied as a net revaluation reserve under equity according to the equity method to the extent that the carrying amount exceeds cost. Dividends from group entities expected to be adopted in the group entities prior to the approval of the Company's annual report, are not tied up in the revaluation reserve.

Financial statements 1 January – 31 December

Notes

2 Financial expenses

DKK'000	2016	2015
Financial expenses, group entities	14,432	15,134
Other interest expenses	8	154
	<u>14,440</u>	<u>15,288</u>

3 Investments

DKK'000	Equity investments in group entities
Cost at 1 January 2016	<u>575,515</u>
Cost at 31 December 2016	575,515
Impairment losses at 1 January 2016	<u>-338,985</u>
Impairment losses at 31 December 2016	-338,985
Carrying amount at 31 December 2016	<u><u>236,530</u></u>

4 Contractual obligations, contingencies, etc.

The Company is jointly taxed with other Danish companies in the Consolis Denmark A/S Group. Together with the other companies in the joint taxation, the Company has unlimited jointly and severally liability for Danish corporation taxes and withholding taxes on dividends and interest within the joint taxation.

5 Related party disclosures

Consolis Denmark A/S' related parties comprise the following:

Control

Addtek Holding International AB, Box 85 AB, 131 25 Nacka , Sverige

Addtek Holding International AB holds the majority of the share capital in the Company

Consolis Denmark A/S is part of the consolidated financial statements of Consolis Holding SAS, 31 place Ronde, Quartier Valmy La Défense, 92800 Puteaux, France, which is the smallest and largest group in which the Company is included as a subsidiary.

The consolidated financial statements of Consolis Holding SAS can be obtained by the Company.