

**K/S Elsenbakken
Central Business Registration No
31758645
Elsenbakken 37
3600 Frederikssund**

Annual report 2015

The Annual General Meeting adopted the annual report on 18.05.2016

Chairman of the General Meeting

Name: Michael Lerche

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Entity details

Entity

K/S Elsenbakken
Elsenbakken 37
3600 Frederikssund

Central Business Registration No: 31758645

Registered in: Frederikssund

Financial year: 01.01.2015 - 31.12.2015

Board of Directors

Michael Lerche

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors has today considered and approved the annual report of K/S Elsenbakken for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Frederikssund, 18.05.2016

Board of Directors

Michael Lerche

Independent auditor's reports

To the owner of K/S Elsenbakken

Report on the financial statements

We have audited the financial statements of K/S Elsenbakken for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Independent auditor's reports

Copenhagen, 18.05.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR-nr. 33963556

Henrik Kjelgaard

State Authorised Public Accountant

Christian Dahlstrøm

State Authorised Public Accountant

Management commentary

Primary activities

K/S Elsenbakken's primary activity is owning and renting the properties Elsenbakken 1A, Elsenbakken 33 and Elsenbakken 37.

Development in activities and finances

The Company has had an increase in net profit for the year, which has been based on increasing revenue. The net profit for the year amounts to DKK 1,701k (2014: DKK 1,363k) which is an increase of 24.8 %.

Net profit is considered satisfactory.

Events after the balance sheet date

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

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity 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 Entity, and the value of the liability 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 financial statement 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.

Income statement

Revenue

Revenue from the renting of properties is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Accounting policies

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet

Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation and accumulated impairment losses. Land is not depreciated.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation is based on cost less the expected residual value based on the useful lives of the assets.

The depreciation is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	50 years
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Assets with a cost less than DKK 12,600 are expensed in the year of the acquisition.

Property, plant and equipment is written down to the lower of recoverable amount and carrying amount.

Receivables

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

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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

Income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Revenue		3.789.612	2.987.211
Other external expenses		<u>(286.772)</u>	<u>(50.100)</u>
Gross profit/loss		3.502.840	2.937.111
Depreciation, amortisation and impairment losses		<u>(680.203)</u>	<u>(595.595)</u>
Operating profit/loss		2.822.637	2.341.516
Other financial income	1	0	488
Other financial expenses	2	<u>(1.121.974)</u>	<u>(979.312)</u>
Profit/loss for the year		<u>1.700.663</u>	<u>1.362.692</u>
Proposed distribution of profit/loss			
Retained earnings		<u>1.700.663</u>	<u>1.362.692</u>
		<u>1.700.663</u>	<u>1.362.692</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Land and buildings		38.223.996	31.822.880
Property, plant and equipment	3	<u>38.223.996</u>	<u>31.822.880</u>
Fixed assets		<u>38.223.996</u>	<u>31.822.880</u>
Receivables from group enterprises		505.782	16.765
Other short-term receivables		0	96.103
Receivables		<u>505.782</u>	<u>112.868</u>
Cash		<u>80.096</u>	<u>120.734</u>
Current assets		<u>585.878</u>	<u>233.602</u>
Assets		<u>38.809.874</u>	<u>32.056.482</u>

Balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK</u>
Retained earnings		6.852.301	5.151.638
Equity		<u>6.852.301</u>	<u>5.151.638</u>
Other credit institutions		27.281.724	22.852.382
Other payables		2.507.548	0
Non-current liabilities other than provisions	4	<u>29.789.272</u>	<u>22.852.382</u>
Other credit institutions		1.758.000	1.023.677
Debt to group enterprises		410.301	1.334.783
Other payables		0	1.694.002
Current liabilities other than provisions		<u>2.168.301</u>	<u>4.052.462</u>
Liabilities other than provisions		<u>31.957.573</u>	<u>26.904.844</u>
Equity and liabilities		<u><u>38.809.874</u></u>	<u><u>32.056.482</u></u>
Assets charged and collateral	5		
Ownership	6		

Statement of changes in equity for 2015

	Retained earnings DKK
Equity beginning of year	5.151.638
Profit/loss for the year	<u>1.700.663</u>
Equity end of year	<u><u>6.852.301</u></u>

The limited partnership capital amounts to DKK 16,500k as of 31 December 2015

Notes

	2015	2014
	DKK	DKK
1. Other financial income		
Financial income arising from group enterprises	0	488
	0	488

	2015	2014
	DKK	DKK
2. Other financial expenses		
Financial expenses from group enterprises	24.306	25.544
Other financial expenses	1.097.668	953.768
	1.121.974	979.312

	Land and buildings DKK
3. Property, plant and equipment	
Cost beginning of year	34.688.476
Additions	7.081.319
Cost end of year	41.769.795
Depreciation and impairment losses beginning of the year	(2.865.596)
Depreciation for the year	(680.203)
Depreciation and impairment losses end of the year	(3.545.799)
Carrying amount end of year	38.223.996

4. Long-term liabilities other than provisions

Long-term debt to credit institutions due after five years amounts to DKK 20,127k as of 31 December 2015.

Other liabilities consists of rent deposi received.

5. Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property.

Bank debt is secured by way of a deposited mortgage deed registered to the mortgagor on the plant of DKK 20,383k.

The carrying amount of mortgaged properties amounts to DKK 38,224k.

Notes

6. Ownership

Name and registered office of the parent preparing consolidated financial statements for the largest group:

Lion Danmark I ApS, Danmark