
Domino's Pizza Scandinavia A/S

Præstemarksvej 19, DK-4000 Roskilde

Annual Report for 1 October 2015 - 30 September 2016

CVR No 33 75 95 17

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
7 /12 2016

Gustave Charles Eric
Geisendorf
Chairman

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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Domino's Pizza Scandinavia A/S for the financial year 1 October 2015 - 30 September 2016.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2016 of the Company and of the results of the Company operations for 2015/16.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

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

Roskilde, 7 December 2016

Direktion

Carsten Kjems Falk

Bestyrelse

Gustave Charles Eric Geisendorf
Chairman

Jesper Buch

Carsten Kjems Falk

Independent Auditor's Report on the Financial Statements

To the Shareholder of Domino's Pizza Scandinavia A/S

Report on the Financial Statements

We have audited the Financial Statements of Domino's Pizza Scandinavia A/S for the financial year 1 October 2015 - 30 September 2016, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. 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 whether the Financial Statements are free from material misstatement.

An audit involves performing audit 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 misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company'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 evaluating 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 financial position of the Company at 30 September 2016 and of the results of the Company operations for the financial year 1 October 2015 - 30 September 2016 in accordance with the Danish Financial Statements Act.

Independent Auditor's Report on the Financial Statements

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is in accordance with the Financial Statements.

Hillerød, 7 December 2016

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Michael Blom
State Authorized Public Accountant

Henrik Aslund Pedersen
State Authorized Public Accountant

Company Information

The Company

Domino's Pizza Scandinavia A/S
Præstemarksvej 19
DK-4000 Roskilde

CVR No: 33 75 95 17
Financial period: 1 October - 30 September
Incorporated: 15 June 2011
Municipality of reg. office: Roskilde

Parent

Nordic Pizza Sarl. Luxembourg, 100 %

Board of Directors

Gustave Charles Eric Geisendorf, Chairman
Jesper Buch
Carsten Kjems Falk

Executive Board

Carsten Kjems Falk

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Milnersvej 43
DK-3400 Hillerød

Management's Review

Main activity

Domino's Pizza Scandinavia A/S and affiliates has the exclusive master franchise in Denmark for Domino's Pizza, the world's leading pizza brand. We have the exclusive right to develop and operate and sub-franchise to others the right to develop and operate Domino's Pizza stores in Denmark.

Development in the year

The income statement of the Company for 2015/16 shows a profit of DKK 3,169,146, and at 30 September 2016 the balance sheet of the Company shows equity of DKK 19,578,614.

Management find the result for the year satisfied.

Subsequent events

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

Income Statement 1 October - 30 September

	Note	2015/16 DKK	2014/15 DKK
Gross profit/loss		-12.000	-22.250
Income from investments in subsidiaries		3.208.642	2.110.723
Financial expenses	1	<u>-35.723</u>	<u>-22.650</u>
Profit/loss before tax		3.160.919	2.065.823
Tax on profit/loss for the year	2	<u>8.227</u>	<u>9.878</u>
Net profit/loss for the year		<u>3.169.146</u>	<u>2.075.701</u>

Distribution of profit

Proposed distribution of profit

Reserve for net revaluation under the equity method	2.982.977	0
Retained earnings	<u>186.169</u>	<u>2.075.701</u>
	<u>3.169.146</u>	<u>2.075.701</u>

Balance Sheet 30 September

Assets

	Note	2015/16 DKK	2014/15 DKK
Investments in subsidiaries	3	21.688.077	14.705.100
Fixed asset investments		21.688.077	14.705.100
Fixed assets		21.688.077	14.705.100
Receivables from group enterprises		59.514	890.382
Other receivables		14.245	0
Deferred tax asset		16.030	9.878
Corporation tax		0	1.012.020
Receivables		89.789	1.912.280
Cash at bank and in hand		502.128	3.625
Currents assets		591.917	1.915.905
Assets		22.279.994	16.621.005

Balance Sheet 30 September

Liabilities and equity

	<u>Note</u>	<u>2015/16</u> DKK	<u>2014/15</u> DKK
Share capital		502.000	86.000
Share premium account		0	12.494.000
Reserve for net revaluation under the equity method		3.026.077	43.100
Retained earnings		<u>16.050.537</u>	<u>12.034</u>
Equity	4	<u>19.578.614</u>	<u>12.635.134</u>
Payables to group enterprises		2.678.881	2.731.988
Payables to owners and Management		0	1.231.384
Other payables		<u>22.499</u>	<u>22.499</u>
Short-term debt		<u>2.701.380</u>	<u>3.985.871</u>
Debt		<u>2.701.380</u>	<u>3.985.871</u>
Liabilities and equity		<u>22.279.994</u>	<u>16.621.005</u>
Contingent assets, liabilities and other financial obligations	5		

Statement of Changes in Equity

	Share capital	Share premium account	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK	DKK
Equity at 1 October	86.000	12.494.000	43.100	12.034	12.635.134
Cash capital increase	416.000	0	0	3.584.000	4.000.000
Other equity movements	0	0	0	-225.666	-225.666
Transfers, reserves	0	0	0	12.494.000	12.494.000
Net profit/loss for the year	0	0	2.982.977	186.169	3.169.146
Transfer from share premium account	0	-12.494.000	0	0	-12.494.000
Equity at 30 September	502.000	0	3.026.077	16.050.537	19.578.614

Notes to the Financial Statements

	<u>2015/16</u>	<u>2014/15</u>
	DKK	DKK
1 Financial expenses		
Interest paid to group enterprises	34.782	21.023
Other financial expenses	<u>941</u>	<u>1.627</u>
	<u>35.723</u>	<u>22.650</u>
2 Tax on profit/loss for the year		
Current tax for the year	1	0
Deferred tax for the year	<u>-8.228</u>	<u>-9.878</u>
	<u>-8.227</u>	<u>-9.878</u>
3 Investments in subsidiaries		
Cost at 1 October	14.662.000	6.678.000
Additions for the year	<u>4.000.000</u>	<u>7.984.000</u>
Cost at 30 September	<u>18.662.000</u>	<u>14.662.000</u>
Value adjustments at 1 October	43.100	-2.067.623
Net profit/loss for the year	3.208.642	2.110.723
Other equity movements, net	<u>-225.665</u>	<u>0</u>
Value adjustments at 30 September	<u>3.026.077</u>	<u>43.100</u>
Carrying amount at 30 September	<u>21.688.077</u>	<u>14.705.100</u>

Notes to the Financial Statements

4 Equity

The share capital has developed as follows:

	2015/16	2014/15	2013/14	2012/13	2011/12
	DKK	DKK	DKK	DKK	DKK
Share capital at 1 October	86.000	86.000	81.000	80.000	80.000
Capital increase	416.000	0	1.000	1.000	0
Capital decrease	0	0	0	0	0
Share capital at 30 September	502.000	86.000	82.000	81.000	80.000

5 Contingent assets, liabilities and other financial obligations

Contingent liabilities

Domino's Pizza Scandinavia A/S has issued a guarantee as security for the subsidiary's (The Scandinavian Pizza Company ApS) bank debt. The debt amounts to DKK 4,796k at 30 September 2016.

Domino's Pizza Scandinavia A/S has issued a comfort letters in favour of a number of its subsidiaries ensuring the contribution of adequate capital for the day-to-day operations of the individual subsidiary. The comfort letters will remain in force at least until 30 September 2017.

In accordance with the rules of Danish tax legislation, the Danish group enterprises are jointly and severally liable for tax on the jointly taxed income and also for any obligations to withhold tax at source, dividend tax and royalty tax of the jointly taxed enterprises. Domino's Pizza Scandinavia A/S is the administration company for joint taxation purposes. The total tax liability for assessment year 2016 amounts to DKK 0.

No other security had been provided and there were no other contingent liabilities at 30 September 2016.

Accounting Policies

Basis of Preparation

The Annual Report of Domino's Pizza Scandinavia A/S for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

Financial Statements for 2015/16 are presented in DKK.

Changes in accounting policies

Management has decided to pre-implement the limits to prepare consolidated accounts. Because of the pre-implement, it has not been a demand to prepare consolidated accounts for 2015/16.

Further management has decided to pre-implement changes in The Danish Financial Statements Act § 72 and not show information about subsidiaries.

The pre-implement has not led to any changes in last year figures.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, herunder afskrivninger, nedskrivninger og hensatte forpligtelser samt tilbageførsler som følge af ændrede regnskabsmæssige skøn af beløb, der tidligere har været indregnet i resultatopgørelsen.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Accounting Policies

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income Statement

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Accounting Policies

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance Sheet

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured under the equity method.

The items "Investments in subsidiaries" and "Investments in associates" in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition with deduction or addition of unrealised inter-company profits or losses and with addition of any remaining value of positive differences (goodwill) and deduction of any remaining value of negative differences (negative goodwill).

The total net revaluation of investments in subsidiaries and associates is transferred upon distribution of profit to "Reserve for net revaluation under the equity method" under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in subsidiaries and associates.

Subsidiaries and associates with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Accounting Policies

Equity

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Other debts are measured at amortised cost, substantially corresponding to nominal value.