

Lion Danmark II ApS
Elsenbakken 37
3600 Frederikssund
Central Business Registration No
36026731

Annual report 2016

The Annual General Meeting adopted the annual report on 13.03.2017

Chairman of the General Meeting

Name: Kenneth Borup

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Entity details

Entity

Lion Danmark II ApS
Elsenbakken 37
3600 Frederikssund

Central Business Registration No: 36026731

Founded: 01.07.2014

Registered in: Frederikssund

Financial year: 01.01.2016 - 31.12.2016

Board of Directors

Peter Korsholm, chairman
Karsten Johan Busck
Morten Strømsted
Michael Lerche

Executive Board

Kenneth Borup

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Lion Danmark II ApS for the financial year 01.01.2016 - 31.12.2016.

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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

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

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

Frederikssund, 13.03.2017

Executive Board

Kenneth Borup

Board of Directors

Peter Korsholm
chairman

Karsten Johan Busck

Morten Strømsted

Michael Lerche

Independent auditor's report

To the shareholders of Lion Danmark II ApS

Opinion

We have audited the financial statements of Lion Danmark II ApS for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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.

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:

Independent auditor's report

- 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 13.03.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Henrik Kjelgaard
State Authorised Public Accountant

Christian Dahlstrøm
State Authorised Public Accountant

Management commentary

Primary activities

The objective of the Company is – directly or through equity investments in other enterprises – to carry out trade, distribution and production and other related business that according to the Board of Directors' assessment is related thereto.

Development in activities and finances

Lion Danmark II ApS' profit in 2016 amounts to DKK 15.746k and an equity of 77.948k, which is considered satisfactory by management.

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.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2014/15 DKK'000</u>
Other external expenses		(88.796)	(91.977)
Operating profit/loss		(88.796)	(91.977)
Income from investments in group enterprises		21.364.614	23.168.366
Other financial income	1	0	8.000
Other financial expenses	2	(9.260.245)	(13.408.670)
Profit/loss before tax		12.015.573	9.675.719
Tax on profit/loss for the year		2.056.788	3.170.771
Profit/loss for the year		14.072.361	12.846.490
Proposed distribution of profit/loss			
Retained earnings		14.072.361	12.846.490
		14.072.361	12.846.490

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2014/15 DKK'000</u>
Investments in group enterprises		163.440.480	167.075.866
Fixed asset investments	3	163.440.480	167.075.866
Fixed assets		163.440.480	167.075.866
Receivables from group enterprises		18.640.198	865.088
Income tax receivable		1.958.243	3.424.610
Receivables		20.598.441	4.289.698
Cash		0	6.531
Current assets		20.598.441	4.296.229
Assets		184.038.921	171.372.095

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2014/15 DKK'000</u>
Contributed capital		100.000	100.000
Retained earnings		<u>77.848.196</u>	<u>63.426.446</u>
Equity		<u>77.948.196</u>	<u>63.526.446</u>
Debt to other credit institutions		<u>85.054.731</u>	<u>92.387.793</u>
Non-current liabilities other than provisions	4	<u>85.054.731</u>	<u>92.387.793</u>
Payables to other credit institutions		20.000.000	14.000.000
Other payables		<u>1.035.994</u>	<u>1.457.856</u>
Current liabilities other than provisions		<u>21.035.994</u>	<u>15.457.856</u>
Liabilities other than provisions		<u>106.090.725</u>	<u>107.845.649</u>
Equity and liabilities		<u>184.038.921</u>	<u>171.372.095</u>
Contingent liabilities	5		
Related parties with controlling interest	6		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	100.000	63.426.446	63.526.446
Fair value adjustments of hedging instruments	0	447.934	447.934
Tax of equity postings	0	(98.545)	(98.545)
Profit/loss for the year	0	14.072.361	14.072.361
Equity end of year	100.000	77.848.196	77.948.196

Notes

	2016	2014/15
	DKK	DKK'000
1. Other financial income		
Financial income arising from group enterprises	0	8.000
	0	8.000

	2016	2014/15
	DKK	DKK'000
2. Other financial expenses		
Financial expenses from group enterprises	158.824	179.657
Other financial expenses	9.101.421	13.229.013
	9.260.245	13.408.670

	Investments in group enterprises DKK
3. Fixed asset investments	
Cost beginning of year	170.907.500
Cost end of year	170.907.500
Revaluations beginning of year	(3.831.634)
Amortisation of goodwill	(7.125.070)
Share of profit/loss for the year	28.489.684
Dividend	(25.000.000)
Revaluations end of year	(7.467.020)
Carrying amount end of year	163.440.480

The carrying amount includes goodwill of DKK 124,372 thousand as at 31 December 2016.

	Registered in	Corpo- rate form	Equity inte- rest %	Equity DKK	Profit/loss DKK
Investments in group enterprises comprise:					
Lomax A/S	Frederikssund	Aktiesel skab	100,0	39.255.169	28.676.662

Notes

4. Liabilities other than provisions

Other credit institutions due after 5 years amount to DKK 20.000k as at 31 December 2016.

5. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Lion Danmark I ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is, therefore, liable for the jointly taxed companies and obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

6. Related parties with controlling interest

The following shareholder is recorded in the Company's register of shareholders as holding at least 5 % of the votes or at least 5 % of the share capital:

Lion Danmark I ApS
Elsenbakken 37
3600 Frederikssund

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 with addition of certain provisions for reporting class C.

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

In accordance with the Danish Financial Statements Act §112, the Company has chosen to omit the consolidated financial statements.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of internal profits or losses.

Other financial income

Accounting policies

Other financial income comprises interest income on receivables from group enterprises, foreign currency transactions, amortisation of financial assets etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, foreign currency transactions, amortisation of financial liabilities etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with Lion Danmark I ApS and all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

The item "Investments in group enterprises" in the balance sheet includes 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 intercompany 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, which is structured as ApS, A/S or similar, 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.

Subsidiaries 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 will be recognised in provisions. If the carrying amount of the negative equity value exceeds receivables, the remaining amount is recognised under provisions, to the extent that the parent company has a legal or actual obligation to cover the subsidiaries' obligations.

Receivables

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

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Cash

Accounting policies

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.