

## **Lion Danmark II ApS**

Elsenbakken 37  
3600 Frederikssund  
Business Registration No  
36026731

## **Annual report 2018**

The Annual General Meeting adopted the annual report on 14.03.2019

**Chairman of the General Meeting**



Name: Kenneth Tjørnelunde Borup

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## Entity details

### Entity

Lion Danmark II ApS  
Elsenbakken 37  
3600 Frederikssund

Central Business Registration No (CVR): 36026731

Founded: 01.07.2014

Registered in: Frederikssund

Financial year: 01.01.2018 - 31.12.2018

### Board of Directors

Peter Korsholm, chairman  
Kårsten Johan Busck  
Morten Strømsted  
Gunnar Michael Eggert Lerche

### Executive Board

Kenneth Tjørnelunde 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 01.01.2018 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

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, 14.03.2019

### Executive Board



Kenneth Tjørnelunde Borup

### Board of Directors



Peter Korsholm

chairman



Karsten Johan Busck



Morten Strømsted



Gunnar Michael Eggert Lerche

## Independent auditor's report

### To the shareholder of Lion Danmark II ApS

#### Opinion

We have audited the financial statements of Lion Danmark II ApS for the financial year 01.01.2018 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 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, 14.03.2019

### Deloitte

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR)  
33963556



Henrik Hjort Kjelgaard  
State Authorised Public Accountant  
Identification No (MNE) mne29484



Christian Dahlstrøm  
State Authorised Public Accountant  
Identification No (MNE) mne35660

## 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 2018 amounts to DKK 23.819k and an equity of 109.864k, 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 2018

|   | <u>Notes</u> | <u>2018</u><br><u>DKK</u> | <u>2017</u><br><u>DKK'000</u> |
|---|--------------|---------------------------|-------------------------------|
| Other external expenses   |              | (25.750)                  | (88)                          |
| <b>Operating profit/loss</b>  |              | <b>(25.750)</b>           | <b>(88)</b>                   |
| Income from investments in group enterprises                              |              | 25.510.120                | 24.969                        |
| Other financial income  | 2            | 1.059.456                 | 904                           |
| Other financial expenses  | 3            | (3.018.219)               | (3.760)                       |
| <b>Profit/loss before tax</b>   |              | <b>23.525.607</b>         | <b>22.025</b>                 |
| Tax on profit/loss for the year   |              | 293.214                   | 579                           |
| <b>Profit/loss for the year</b>   |              | <b>23.818.821</b>         | <b>22.604</b>                 |
| <b>Proposed distribution of profit/loss</b>                               |              |                           |                               |
| Extraordinary dividend distributed in the financial year                  |              | 0                         | 15.000                        |
| Transferred to reserve for net revaluation according to the equity method |              | 25.510.120                | 2.502                         |
| Retained earnings   |              | (1.691.299)               | 5.102                         |
|   |              | <b>23.818.821</b>         | <b>22.604</b>                 |

**Balance sheet at 31.12.2018**

|                                    | <u>Notes</u> | <u>2018</u><br><u>DKK</u> | <u>2017</u><br><u>DKK'000</u> |
|------------------------------------|--------------|---------------------------|-------------------------------|
| Investments in group enterprises   |              | 198.919.419               | 173.410                       |
| <b>Fixed asset investments</b>     | <b>4</b>     | <b>198.919.419</b>        | <b>173.410</b>                |
| <b>Fixed assets</b>                |              | <b>198.919.419</b>        | <b>173.410</b>                |
| Receivables from group enterprises |              | 36.240.514                | 34.896                        |
| Income tax receivable              |              | 368.214                   | 440                           |
| <b>Receivables</b>                 |              | <b>36.608.728</b>         | <b>35.336</b>                 |
| <b>Current assets</b>              |              | <b>36.608.728</b>         | <b>35.336</b>                 |
| <b>Assets</b>                      |              | <b>235.528.147</b>        | <b>208.746</b>                |

## Balance sheet at 31.12.2018

|  | <u>Notes</u> | <u>2018</u><br><u>DKK</u> | <u>2017</u><br><u>DKK'000</u> |
|--|--------------|---------------------------|-------------------------------|
| Contributed capital  |              | 100.000                   | 100                           |
| Reserve for net revaluation according to the equity method |              | 28.011.919                | 2.502                         |
| Retained earnings  |              | 81.751.861                | 83.443                        |
| <b>Equity</b>  |              | <b>109.863.780</b>        | <b>86.045</b>                 |
| Deferred tax   |              | 75.000                    | 0                             |
| <b>Provisions</b>  |              | <b>75.000</b>             | <b>0</b>                      |
| Bank loans   |              | 105.561.342               | 102.684                       |
| <b>Non-current liabilities other than provisions</b>       | 5            | <b>105.561.342</b>        | <b>102.684</b>                |
| Bank loans   |              | 20.000.000                | 20.000                        |
| Other payables   |              | 28.025                    | 17                            |
| <b>Current liabilities other than provisions</b>           |              | <b>20.028.025</b>         | <b>20.017</b>                 |
| <b>Liabilities other than provisions</b>                   |              | <b>125.589.367</b>        | <b>122.701</b>                |
| <b>Equity and liabilities</b>                              |              | <b>235.528.147</b>        | <b>208.746</b>                |
| Staff costs  | 1            |                           |                               |
| Contingent liabilities                                     | 6            |                           |                               |
| Assets charged and collateral                              | 7            |                           |                               |
| Related parties with controlling interest                  | 8            |                           |                               |

## Statement of changes in equity for 2018

|                                | Contributed<br>capital<br>DKK | Reserve for net<br>revaluation<br>according to the<br>equity method<br>DKK | Retained<br>earnings<br>DKK | Total<br>DKK       |
|--------------------------------|-------------------------------|--|-----------------------------|--------------------|
| Equity<br>beginning of<br>year | 100.000                       | 2.501.799  | 83.443.160                  | 86.044.959         |
| Profit/loss<br>for the year    | 0                             | 25.510.120   | (1.691.299)                 | 23.818.821         |
| <b>Equity end<br/>of year</b>  | <b>100.000</b>                | <b>28.011.919</b>  | <b>81.751.861</b>           | <b>109.863.780</b> |

## Notes

|   | <u>2018</u>             | <u>2017</u>               |
|---|-------------------------|---------------------------|
| <b>1. Staff costs</b>                           |                         |                           |
| Average number of employees                     | <u>0</u>                | <u>0</u>                  |
|   |                         |                           |
|   | <u>2018</u>             | <u>2017</u>               |
|   | <u>DKK</u>              | <u>DKK'000</u>            |
| <b>2. Other financial income</b>                |                         |                           |
| Financial income arising from group enterprises | <u>1.059.456</u>        | <u>904</u>                |
|   | <u><b>1.059.456</b></u> | <u><b>904</b></u>         |
|   |                         |                           |
|   | <u>2018</u>             | <u>2017</u>               |
|   | <u>DKK</u>              | <u>DKK'000</u>            |
| <b>3. Other financial expenses</b>              |                         |                           |
| Other financial expenses                        | <u>3.018.219</u>        | <u>3.760</u>              |
|   | <u><b>3.018.219</b></u> | <u><b>3.760</b></u>       |
|   |                         |                           |
|   |                         | <u>Invest-</u>            |
|   |                         | <u>ments in</u>           |
|   |                         | <u>group</u>              |
|   |                         | <u>enterprises</u>        |
|   |                         | <u>DKK</u>                |
| <b>4. Fixed asset investments</b>               |                         |                           |
| Cost beginning of year                          |                         | <u>170.907.500</u>        |
| <b>Cost end of year</b>                         |                         | <u><b>170.907.500</b></u> |
|   |                         |                           |
| Revaluations beginning of year                  |                         | 2.501.799                 |
| Amortisation of goodwill                        |                         | (7.125.070)               |
| Share of profit/loss for the year               |                         | <u>32.635.190</u>         |
| <b>Revaluations end of year</b>                 |                         | <u><b>28.011.919</b></u>  |
|   |                         |                           |
| <b>Carrying amount end of year</b>              |                         | <u><b>198.919.419</b></u> |

The carrying amount includes goodwill of DKK 110,122 thousand as at 31 December 2018.

## Notes

### **5. Liabilities other than provisions**

Bank loans due after 5 years amount to DKK 0 as at 31 December 2018.

### **6. 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.

### **7. Assets charged and collateral**

The Company has pledged the Company's investments in Group enterprises as security for the loan agreement.

### **8. 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  
Eisenbakken 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.

## Accounting policies

### Other financial income

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.



## Accounting policies

### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

### Other financial liabilities

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