

LNS 1 ApS

**Annual report 25 June –
31 December 2015**

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

on _____ 20 ____

Hansen Mj. Petersen

chairman

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Statement by the Executive Board

The Executive Board have today approved the annual report of LNS 1 ApS for the financial year 25 June – 31 December 2015.

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 2015 and of the results of the Company's operations for the financial year 25 June – 31 December 2015.

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 should be approved at the annual general meeting.

Langeskov, 12 February 2016

Executive Board:


Hermann Már Þórisson



KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
Denmark

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Independent auditor's report

To the shareholders of LNS 1 ApS

Independent auditor's report on the financial statements

We have audited the financial statements of LNS 1 ApS for the financial year 25 June – 31 December 2015. The financial statements comprise accounting policies, income statement, balance sheet 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 that 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 as to 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 judgement, 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 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 assets, liabilities and financial position at 31 December 2015 and of the results of the Company's activities for the financial year 25 June – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's review


In accordance with the Danish Financial Statements Act, we have read the Management's review. 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's review is consistent with the financial statements.

Copenhagen, 12 February 2016

KPMG
Statsautoriseret Revisionspartnerselskab



Jacob Lehman
State Authorised
Public Accountant



Mikkel Trabjerg Knudsen
State Authorised
Public Accountant

Management's review

Company details

LNS 1 ApS
Industrivej 6
DK-5550 Langeskov

Telephone: +45 63 38 10 00

CVR no.: 36 94 34 08
Established: 25 June 2015
Registered office: Langeskov
First financial year: 25 June – 31 December
Financial year: 1 January – 31 December

Executive Board

Hermann Már Þórisson

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 Copenhagen Ø

Management's review

Operating review

Principal activities

The Company's objective is to own and rent real estate and any related business at the discretion of the Executive Board.

Development in activities and financial position

After establishment, the Company acquired a property from its affiliated company, MedicoPack A/S, at a price of DKK 30 million.

The Company reported a loss of DKK 899 thousand, which is as expected due to first financial year and the agreed rental agreement.

Outlook

For the 2016 financial year, the Company expects to report break-even results before tax.

Material events after the end of the financial year

At 31 December 2015 and up until today, no events have occurred changing our assessment of the annual report.

Financial statements 25 June – 31 December 2015

Accounting policies

The annual report of LNS 1 ApS for 25 June – 31 December 2015 has been presented in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

Income statement

Gross profit/loss

In accordance with section 32 of the Danish Financial Statements Act, revenue is not disclosed.

Gross profit/loss is an aggregation of revenue and other external costs.

Revenue

Revenue comprising rental income is recognised in the period to which it relates.

Other external costs

Other external costs comprise administrative expenses, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on payables and transactions denominated in foreign currencies, and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates.

Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Financial statements 25 June – 31 December 2015

Accounting policies

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Buildings	30 years
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Land is not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Receivables

Receivables are measured at amortised cost. Write-down to net realisable value is made for projected bad debts.

Equity

Dividends

Proposed dividends are recognised as a liability at the date on which they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

Current tax payable and receivable is recognised on 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.

Financial statements 25 June – 31 December 2015

Accounting policies

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 measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to items where 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 carry forwards, 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.

Liabilities other than provisions

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

Other liabilities are measured at net realisable value.

Financial statements 25 June – 31 December 2015

Income statement

	Note	25/6 -31/12 2015
Gross profit/loss		-62,455
Depreciation	2	-366,461
Operating profit/loss		-428,916
Financial expenses	1	-470,099
Profit/loss before tax		-899,015
Tax on profit/loss for the year		0
Loss for the year		<u>-899,015</u>
Proposed distribution of loss		
Retained earnings		-899,015
		<u>-899,015</u>

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Balance sheet

	Note	2015
ASSETS		
Non-current assets		
Property, plant and equipment	2	
Land and buildings		29,861,859
		29,861,859
Current assets		
Receivables		
Other receivables		15,614
Cash at bank and in hand		79,114
Total current assets		94,728
TOTAL ASSETS		29,956,587
 EQUITY AND LIABILITIES		
Equity		
Share capital	3	81,000
Retained earnings		6,599,985
Total equity		6,680,985
Liabilities		
Non-current liabilities		
Amounts owed to parent company(due within 5 years)		23,197,353
Current liabilities		
Amounts owed to affiliated company		78,249
TOTAL LIABILITIES		23,275,602
TOTAL EQUITY AND LIABILITIES		29,956,587
 Contingent liabilities		
Related party transactions	4	
Mortgages and collateral	5	
	6	

Financial statements 25 June – 31 December 2015

Notes

	25/6 - 31/12 2015 <hr/>
1 Financial expenses	
Interest expenses, related parties	469,033
Charges, etc.	1,066
	<hr/> 470,099 <hr/>
 2 Property, plant and equipment	
DKK'000	Land and buildings
Cost at 25 June 2015	<hr/> 0
Additions during the period	30,228,320
Cost at 31 December 2015	<hr/> 30,228,320
Depreciation and impairment losses at 25 June 2015	0
Depreciation for the period	366,461
Depreciation at 31 December 2015	<hr/> 366,461
Carrying amount at 31 December 2015	<hr/> 29,861,859 <hr/>

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Notes

3 Equity

	Share capital	Retained earnings	Total
Balance at 25 June 2015	0	0	0
Appreciation/share premium	80,000	0	80,000
Capital increase	1,000	7,499,000	7,500,000
Profit/loss for the year	0	-899,015	-899,015
Balance at 31 December 2015	81,000	6,599,985	6,680,985

Upon formation, the share capital reached DKK 80 thousand.

The share capital was increased by a nominal amount of DKK 1 thousand broken down on shares of a nominal amount of DKK 1 each by means of debt conversion at a subscription price of DKK 7,500.

The share capital consists of 81,000 shares of DKK 1 each.

Costs of establishment represented DKK 5 thousand. Additionally, costs attributable to the capital increase amounted to DKK 5 thousand.

4 Contingent liabilities

The Company are jointly and severally liable for tax on the entities jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax. Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends, etc., may entail an increase in the entities' liability. The Group as a whole is not liable to any other parties.

5 Related party transactions

LNS 1 ApS' related parties comprise the following:

Control

IEI II hf.
Lágmúli 9
108 Reykjavik
Iceland

Which is the principal shareholder and part of IEI II hf., Iceland.

Ownership

The following shareholders are registered in the Company's register of shareholders as holding the entire share capital:

IEI II hf.
Lágmúli 9
108 Reykjavik
Iceland

6 Mortgages and collateral

The Company has provided collateral at an amount of DKK 43,000 thousand secured upon its property whose carrying amount represents DKK 29,862 thousand.