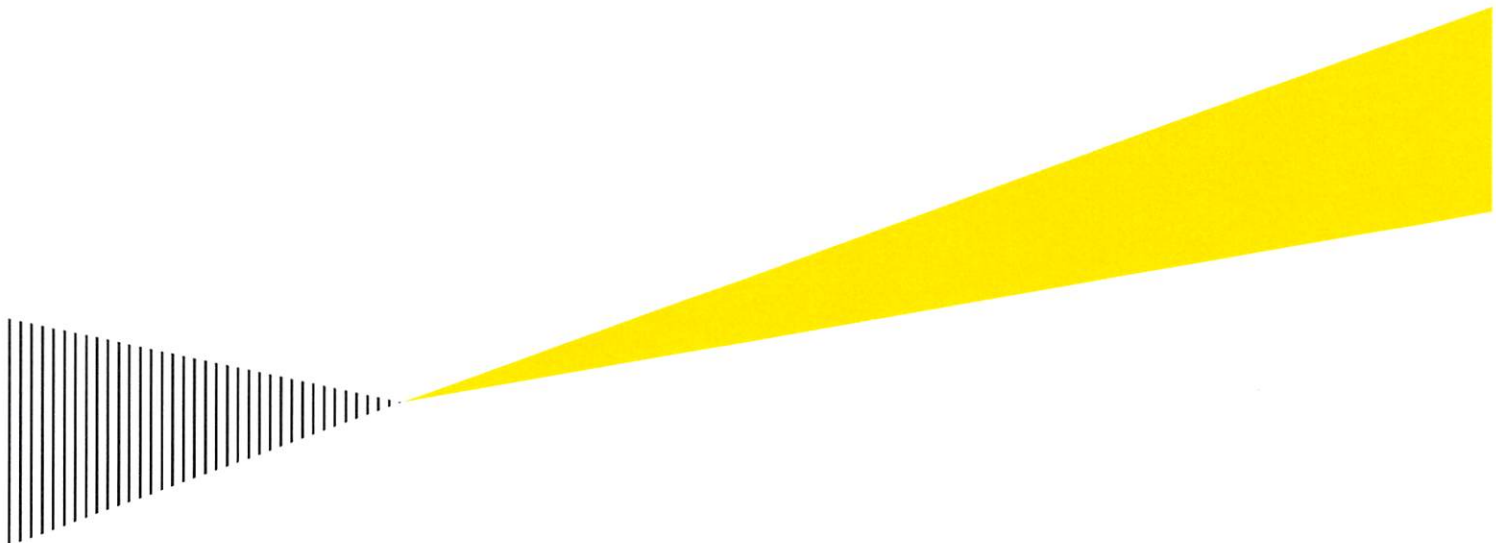


SGM Finance ApS

Sommervej 23, Hasle, 8210 Aarhus V

CVR no. 37 23 91 27



Annual report 2015/16

(As of the establishment of the Company 17 November 2015 - 31 December 2016)

Approved at the annual general meeting of shareholders on 27/2-17

Chairman:



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Statement by the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of SGM Finance ApS for the financial year as of the establishment of the Company 17 November 2015 - 31 December 2016.

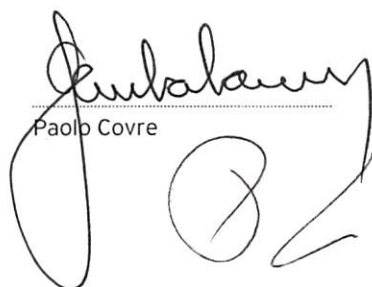
The annual report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year as of the establishment of the Company 17 November 2015 - 31 December 2016.

Further, in my opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

I recommend that the annual report be approved at the annual general meeting.

Aarhus, 27 February 2017
Executive Board:



Paolo Covre

Independent auditors' report

To the shareholders of SGM Finance ApS

Opinion

We have audited the financial statements of SGM Finance ApS for the financial year as of the establishment of the Company 17 November 2015 - 31 December 2016, which comprise an 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 financial position of the Company at 31 December 2016, and of the results of the Company operations for the financial year as of the establishment of the company 17 November 2015 - 31 December 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 the 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 our report. We are independent of the company in accordance with the International Ethics Standards Board for 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 rules and 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ 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 company's internal control.

Independent auditors' report

- ▶ 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 company'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 conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, 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 Management's review

Management is responsible for the Management's review.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 27 February 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Mads Meldgaard
State Authorised Public Accountant



Christian Jøker
State Authorised Public Accountant



Management's review

Company details

Name	SGM Finance ApS
Address, Postal code, City	Sommervej 23, Hasle, 8210 Aarhus V
CVR no.	37 23 91 27
Established	17 November 2015
Registered office	Aarhus
Financial year	17 November 2015 - 31 December 2016
Executive Board	Paolo Covre
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management commentary

Business review

The Company's principal activities comprise factoring and related activities.

Financial review

The income statement for 2015/16 shows a profit of EUR 4,834, and the balance sheet at 31 December 2016 shows equity of EUR 11,634.

Management considers the Company's financial performance in the year satisfactory.

Outlook

The Company expects results of operations for the next financial year to be at the same level as in 2015/16.



Financial statements for the period 17 November 2015 - 31 December 2016

Income statement

Note	EUR	2015/16 14 months
	Gross margin	-2,523
2	Financial income	292,342
3	Financial expenses	-283,624
	Profit before tax	6,195
4	Tax for the year	-1,361
	Profit for the year	4,834
	Recommended appropriation of profit	
	Retained earnings	4,834

Financial statements for the period 17 November 2015 - 31 December 2016

Balance sheet

Note	EUR	<u>2015/16</u>
	ASSETS	
	Non-fixed assets	
	Receivables	
	Trade receivables	2,534,905
	Receivables from group enterprises	1,172,383
	Receivables from associates	1,077,987
		<u>4,785,275</u>
	Cash	24,334
	Total non-fixed assets	<u>4,809,609</u>
	TOTAL ASSETS	<u>4,809,609</u>
	EQUITY AND LIABILITIES	
	Equity	
	Share capital	6,800
	Retained earnings	4,834
	Total equity	<u>11,634</u>
	Liabilities other than provisions	
5	Non-current liabilities other than provisions	
	Payables to group enterprises	4,500,000
		<u>4,500,000</u>
	Current liabilities other than provisions	
	Bank debt	147
	Trade payables	2,520
	Payables to group enterprises	293,947
	Corporation tax payable	1,361
		<u>297,975</u>
	Total liabilities other than provisions	<u>4,797,975</u>
	TOTAL EQUITY AND LIABILITIES	<u>4,809,609</u>

1 Accounting policies

6 Contractual obligations and contingencies, etc.



Financial statements for the period 17 November 2015 - 31 December 2016

Statement of changes in equity

EUR	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 17 November 2015	6,800	0	6,800
Profit/loss for the year	0	4,834	4,834
Equity at 31 December 2016	<u>6,800</u>	<u>4,834</u>	<u>11,634</u>

Financial statements for the period 17 November 2015 - 31 December 2016

Notes to the financial statements

1 Accounting policies

The annual report of SGM Finance ApS for 2015/16 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities

Reporting currency

The financial statements are presented in EUR.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income.

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements for the period 17 November 2015 - 31 December 2016

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements for the period 17 November 2015 - 31 December 2016

Notes to the financial statements

EUR		<u>2015/16</u> 14 months			
2	Financial income				
	Interest receivable, group entities			279,754	
	Other financial income			<u>12,588</u>	
				<u>292,342</u>	
3	Financial expenses				
	Interest expenses, group entities			280,162	
	Other financial expenses			<u>3,462</u>	
				<u>283,624</u>	
4	Tax for the year				
	Estimated tax charge for the year			<u>1,361</u>	
				<u>1,361</u>	
5	Long-term liabilities				
		<u>Total debt at</u> 31/12 2016	<u>Repayment,</u> next year	<u>Long-term</u> portion	<u>Outstanding debt</u> after 5 years
	EUR				
	Payables to group enterprises	4,500,000	0	4,500,000	0
		<u>4,500,000</u>	<u>0</u>	<u>4,500,000</u>	<u>0</u>

6 Contingencies, etc.

Contingent liabilities

The Company is jointly taxed with its parent, P.L.I. Professional Lighting International ApS, which acts as management company, and together with other jointly taxed group entities the Company has joint and several liability for the payment of income taxes for the income year 2016 and onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 17 November 2015.