

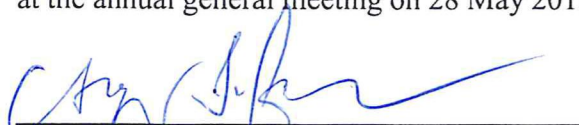
LGI Denmark Invest ApS
Ulsnæs 33, 6300 Graasten

Annual report 2018

CVR no. 39 38 79 13

To the Danish Business Authority

The annual report was presented and approved
at the annual general meeting on 28 May 2019



(Chairman of the meeting)

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INFORMATION ON THE COMPANY

LGI Denmark Invest ApS
Ulsnæs 33
DK-6300 Gråsten

CVR no. 39 38 79 13

Management:

Asger Jacobsen
Claus Winther Petersen

Auditor:

Ernst & Young Godkendt Revisionspartnerselskab
Nørre Havnegade 43
DK-6400 Sønderborg

State Authorised Public Accountant Christian S. Christiansen
State Authorised Public Accountant René Kirkegaard

Bank:

Handelsbanken

Annual General Meeting:

The Annual General Meeting will be held on 28 May 2019

MANAGEMENT REPORT

Main activities

LGI Denmark Invest Aps' main activities are to be a holding company and make investments and any other related activity.

Highlights of the financial year

The company was established on March 5, 2018 in order to acquire Bensa Produktions- und Service GmbH & Co KG, Nordhorn, Germany.

Consolidated accounts have been prepared and disclosed for the ultimate parent company within the EU, LGI International Holding S.a.r.l., Luxembourg. The consolidated accounts include the activities of the LGI Denmark Invest group. The consolidated accounts for LGI International Holding S.a.r.l. include all the necessary information to assess the activities of the LGI Denmark Invest group. Therefore, this annual report only includes the annual accounts of LGI Denmark Invest Aps in accordance with section 112 of the Danish Financial Statements Act, and in accordance with section 86 (4), no cash flow statement has been made.

Financial performance

LGI Denmark Invest ApS realized a loss before tax of DKK 1.5 million in the financial year ended 31 December 2018.

Total assets amount to DKK 122 million, of which equity amounts to DKK 3 million, equal to 2.5%.

Outlook

The overall expectation for LGI Denmark Invest Group in 2019 is to achieve a positive income in 2019.

Ownership

LGI Denmark ApS is owned by LGI International Holding S.A.r.l., Rue de Neudorf 560 A, L-2220 Luxembourg a subsidiary of The Lauridsen Group, Inc., 2425 S.E. Oak Tree Court, Ankeny, Iowa 50021, USA.

MANAGEMENT STATEMENT

The Management have today discussed and approved the annual report of LGI Denmark Invest ApS for the financial 5 March – 31 December 2018.

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

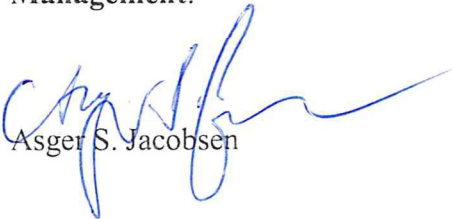
It is our opinion that the annual report gives a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 5 March – 31 December 2018.

We also consider the management report to give a true and fair view of the development in the company's operations and financial matters, and the results the company's operations and financial position.

We recommend that the annual report be adopted at the annual general meeting.

Graasten, 28 May 2019

Management:



Asger S. Jacobsen



Claus Winther Petersen

INDEPENDENT AUDITOR'S REPORT

To the shareholder of LGI Denmark Invest ApS

Opinion

We have audited the financial statements of LGI Denmark ApS for the financial year 5 March – 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 2018 and of the results of the Company's operations for the financial year 5 March – 31 December 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 our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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.

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.

Auditors' responsibility

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 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 additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of 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.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

INDEPENDENT AUDITOR'S REPORT

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 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 the 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.

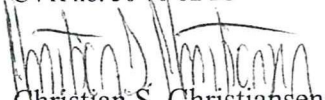
Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with 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's review.

Sønderborg, 28. May 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Christian S. Christiansen
State Authorised
Public Accountant
mne 32171



René Kirkegaard
State Authorised
Public Accountant
mne 40045

ACCOUNTING POLICIES

The annual report of LGI Denmark Invest ApS for 2018 has been prepared in accordance with the provisions applying to reporting class C enterprises under the Danish Financial Statements Act.

In accordance with the Danish Financial Statements Act section 86, sub-section 4 no cash flow statement has been prepared.

In accordance with the Danish Financial Statements Act section 112, sub-section 1 no Consolidated Financial Statement has been prepared. The financial Statement for LGI Denmark Invest Aps and its subsidiaries is included in the Consolidated Financial Statements for LGI International Holding S.á r.l.

Foreign currency translation

On initial recognition, transactions in foreign currencies are translated into Danish kroner at the exchange rate ruling at the transaction date or, if hedging contracts have been entered into, at the contract rate. Foreign exchange differences arising between the date of initial recognition and the date of payment are recognised in the income statement under financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled on the balance sheet date are translated at closing rates. The difference between the exchange rate ruling at the balance sheet date and the exchange rate at the time where the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or expenses.

INCOME STATEMENT

Administrative expenses

Administrative expenses include the costs of administrative staff, management, office premises, office expenses, and similar expenses.

Financial income and expenses

Financial income and expenses include interest income and expenses, gains and losses on securities, payables and transactions in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on the profit for the year

The company is subject to the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. All Danish subsidiaries of LGI International Holding S.a.r.l. are included in the joint taxation scheme from the date when they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The company LGI Denmark ApS acts as administration company for the joint taxation scheme and consequently settles all corporate income tax payments with the tax authorities.

ACCOUNTING POLICIES

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year – comprising the year's current corporation tax, the year's joint taxation contributions and changes in deferred tax (including result of changes in tax rates) – is recognised in the income statement where it relates to the profit/loss for the year.

In addition to the Danish Tax liability the company is subject to taxation in Germany due to its role as a partner in a German GmbH & Co KG. Tax expense due in Germany is recognized in the profit/loss for the year.

BALANCE SHEET

Investments

Investments in group enterprises

Investments in group enterprises are measured at cost.

Investments in subsidiaries and associates measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Receivables

Receivables are measured at amortised cost.

Receivables are written down for anticipated loss.

Equity

Dividend

Proposed dividend is recognised as a liability when adopted by the shareholders at the general meeting. Dividend expected to be paid in respect of the year are stated as a separate line item under equity.

Income tax and foreign corporation tax due

Foreign tax payables and receivables is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Joint tax contributions payable and receivable are recognised in the balance sheet under receivables from or payables to group enterprises.

Liabilities

Liabilities are measured at net realisable value.

LGI Denmark Invest ApS

Income statement for 5 March - 31 December 2018

Note	2018 DKK '000
1 Administrative expenses	(5)
Operating profit	(5)
2 Financial expenses	(1.664)
Profit before tax	(1.669)
3 Tax on profit for the year	137
Profit for the year	(1.533)
Proposed allocation of profit for the year:	
Dividend	-
Retained earnings	(1.533)
	(1.533)

LGI Denmark Invest ApS

Balance sheet at 31 December 2018

Note	2018 DKK '000	
ASSETS		
Fixed assets		
Investments		
4	Investments in group enterprises	119.217
		-
		119.217
	Total fixed assets	119.217
Current assets		
Receivables		
	Receivables from group enterprises	375
		375
	Cash & bankdeposits	2.292
	Total current assets	2.667
	Total assets	121.884

LGI Denmark Invest ApS

Balance sheet at 31 December 2018

Note	2018 DKK '000
LIABILITIES AND EQUITY	
Equity	
Contributed capital	500
Share Premium	4.050
Retained earnings	(1.533)
Proposed dividend	-
Total equity	3.017
Liabilities	
Long Term Debt	
Payables to group enterprises	74.673
	74.673
Short-term debt	
Payables to group enterprises	42.564
5 Foreign corporation tax due	239
Other debt	1.391
	44.194
Total debt	118.867
Total liabilities and equity	121.884
6 Transactions with related parties	
7 Other commitments	

LGI Denmark Invest ApS

Statement of changes in equity at 31 December 2018

	Contributed capital DKK '000	Share Premium DKK '000	Retained earnings DKK '000	Total DKK '000
Capital at foundation	50			50
Contribution from shareholder	450	4.050		4.500
Retained earnings	-		(1.533)	(1.533)
Exchange difference on foreign group enterprises	-		-	-
Ordinary dividend	-			-
Balance at 31 December 2018	500	4.050	(1.533)	3.017

The share capital comprises 500 shares with a nominal value of DKK 1000 DKK each.

LGI Denmark Invest ApS

Notes to the accounts for the year ended 31 December 2018

1 Staff costs

The company has not incurred any staff costs.

No remuneration has been paid to the Management and Board of Directors of the company.

2 Financial expenses

Interest payable to group enterprises	1.391	-
Other interest payable and exchange losses	273	-
	1.664	-

3 Income tax

The tax charge can be specified as follows:

	2018
	DKK '000
Tax on profit for the year:	
Danish income tax, to be refunded from jointly taxed Danish companies	376
Foreign tax on share of profit in Bensa GmbH & Co KG	(239)
	137

Tax is distributed as follows:

Tax on ordinary profit	137
Total tax	137

4 Investment in group enterprises

	2018
	DKK '000
Cost at 1 January	-
Additions	119.217
Cost at 31 December	119.217
Carrying amount at 31 December	119.217

Company:	Note	Contributed capital	Share	Profit/loss DKK '000	Equity DKK '000
Bensa Produktions- und Service GmbH & Co KG	A	kEUR 102	100%	2.452	58.468
Bensa Management GmbH		kEUR 12,5	100%	(32)	61
Revaluation of assets and debt				-	40.031
Goodwill				-	20.657
					119.217

LGI Denmark Invest ApS

Notes to the accounts for the year ended 31 December 2018

Notes:

The Entity contains the following group enterprises:

		Profit/loss	Equity
A)	Ownership	DKK '000	DKK '000
Prowico Proteingewinnungs GmbH	100%	135	46.228
Hewico Produktions- und Handelsgesellschaft mbh	100%	1.339	24.042

5 Foreign Corporation tax Due

	2018	2017
	DKK '000	DKK '000
Tax on profit for the year	239	-
Balance at 31 December	239	-

6 Related party transactions

Related party with controlling influence on the company is LGI International Holding S.a.r.l. and The Lauridsen Group, Inc., USA.

Related parties with significant influence on the company - in addition to the Board of Directors and the Management - include LGI Denmark Aps, its subsidiaries and its Board of Directors and Management.

LGI Denmark Invest ApS has obtained a loan from LGI International Holding S.á r.l., Luxembourg. The conditions concerning the loan are equivalent to conditions between independent parties.

LGI Denmark Invest ApS is included in the consolidated accounts for LGI International Holding S.á r.l., Luxembourg

7 Other commitments

The company is jointly taxed with the other Danish companies, which belong to the LGI International Holding S.á.r.l.. The companies included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interests and royalties within the jointly taxed group.