

Circle K Terminal Denmark ApS

Borgmester Christiansens Gade 50,
2450 København SV
CVR: 40130977

Annual Report 2018/19 1 May 2018 – 30 April 2019

The Annual Report was presented and approved at the Annual General Meeting on September 30, 2019.

Chairman of the Annual General Meeting:


Ivan Vijay Thygesen

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Management's statement

The Executive Boards have today considered and adopted the Annual Report for Circle K Terminal Denmark ApS for the financial year 1 May 2018 – 30 April 2019.

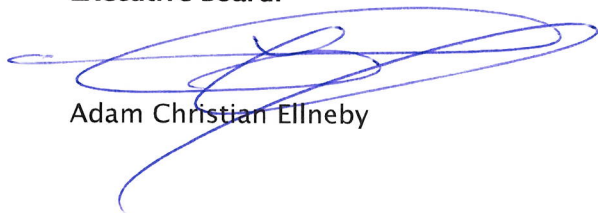
The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In my opinion, the Financial Statements give a true and fair view of the financial position at 30 April 2019 of the Company and of the results of the Company operations for the financial year 1 May 2018 – 30 April 2019.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, September 30, 2019

Executive Board:



Adam Christian Ellneby

The Independent Practitioner's Report

To the Shareholders of Circle K Terminal Denmark ApS

Conclusion

We have performed an extended review of the Financial Statements of Circle K Terminal Denmark ApS for the financial year 1 May 2018 – 30 April 2019, which comprise 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.

Based on the work performed, in our opinion, the Financial Statements give a true and fair view of the financial position of Circle K Terminal Denmark ApS at 30 April 2019 and of the results of the Company operations for the financial year 1 May 2018 – 30 April 2019 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 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 extended review of the Financial Statements

Our responsibility is to express a conclusion on the Financial Statements. This requires that we plan and perform procedures to obtain limited assurance in respect of our conclusion on the Financial Statements and, moreover, that we perform supplementary procedures specifically required to obtain additional assurance in respect of our conclusion.

An extended review consists of making inquiries, primarily of Management and others within the enterprise, as appropriate, and applying analytical procedures and the supplementary procedures specifically required as well as assessing the evidence obtained.

An extended review is less in scope than an audit and, consequently, we do not express an audit opinion on the Financial Statements.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the extended review, or otherwise appears to be materially misstated.


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

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

Hellerup, September 30, 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No. 33 77 12 31


Torben Jensen
State Authorised Public Accountant
MNE18651


Rikke Lund-Kühl
State Authorised Public Accountant
MNE33507

Information about the company

Circle K Terminal Denmark ApS
Borgmester Christiansens Gade 50
2450 København SV

Executive Board

Adam Christian Ellneby

Parent Company:

Circle K Terminal Group AS, Oslo, Norway, Ownership 100 %

Ultimate Parent Company:

Alimentation Couche-Tard Inc., Montreal, Canada, Ownership 100 %

Auditors:

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Upon written request addressed to the company annual report of Circle K Terminal Group AS will be made available.

The Annual Reports for Alimentation Couche-Tard Inc. can be downloaded on <http://corpo.couche-tard.com/en/investor-relations/annual-quarterly-reports/>

Management's commentary

Business activities and mission

The company's main activity is to engage in terminal business.

Business review

The company's result for 2018/19 is a profit of TDKK 6,165 and the company's balance sheet at 30 April 2019 shows equity at TDKK 119,530.

The result for the year is considered satisfactory.

The management expect a result before tax at same level in fiscal year 2019/20 as this year.

Subsequent events

There were no events subsequent to the balance sheet date, which would require adjustment to or disclosures in the Company's financial statements.

Accounting Policies

Basis of Preparation

The Annual Report of Circle K Terminal Denmark ApS has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B.

The Annual Report is presented in Danish kroner (DKK).

There is no comparative figures as it is the company's first accounting period.

Recognition and measurement

Revenues is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. Moreover, all expenses and depreciation, amortisation and impairment losses for accounting purposes are recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that the Company will realise future economic benefits, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that the Company has to give up future economic benefits, and the value of the liability can be measured reliably.

Assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

The asset, as Circle K Terminal ApS has received from Circle K Danmark A/S as of 1 May 2019 is received to fair Value. The activities were added retroactively according to the merger method.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of the transaction. Exchange differences arising between the transaction date rates and the rates at the date of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any difference between the exchange rate at the balance sheet date and the rate at the date when the item arises is recognised in financial income and expenses in the income statement.

Income Statement

Revenue

Revenue from rent of tanks etc. is recognised in the income statement in accordance with the agreements and when it is probable that future economic benefits.

Administrative expenses

Administrative expenses comprise expenses related to, administration, office premises, office expenses etc.

Staff expenses

Staff expenses include wages and salaries, social security cost, pensions etc.

Financial expenses

Financial expenses comprise interest expenses. Realised and unrealised exchange gains and losses relating to receivables, payables and transactions in foreign currencies are shown as a separate item in the income statement. Financial expenses are recognised in the income statement at the amounts that relate to the financial year.

Corporation tax and deferred tax

Tax for the year, which consists of current tax for the year, provision for deferred tax and tax relating to previous years, is recognised in the income statement. Tax attributable to entries directly in equity is recognised in equity.

Provision for deferred tax is calculated at 22% on all temporary differences between the values for accounting and tax purposes except for temporary differences arising at the date of acquisition of assets and liabilities and which have no effect on either profit or taxable income. Deferred tax assets are recognised at the value at which they are expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

The enterprises of the Danish part of the Circle K Group are jointly taxed. The Danish corporation tax is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation).

Balance Sheet

Fixed assets

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses. Land is not depreciated. Depreciation is based on cost reduced by any scrap value after the end of useful life.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. Moreover, estimated future costs are recognised if they qualify for recognition of provisions.

The assets are depreciated on a straight-line basis over the following expected useful life:

Buildings and tanks	20 – 50 years
Plant and machinery	10 – 20 years

Fixtures and fittings, tools and equipment 4 – 10 years

An impairment test is carried out on property, plant and equipment if there is any indication of impairment. The impairment test is made for each individual asset or group of assets. The assets are written down to the higher of the value in use and the net selling price (recoverable amount) of the asset or the group of assets if lower than the carrying amount.

Receivables from group enterprises

Receivables from group enterprises are recognised at nominal value in the balance sheet.

Receivables

Receivables are measured at amortised cost, generally corresponding to nominal value. Provisions for estimated bad debts are made.

Proposed dividend for the year

Dividend is recognised as a liability at the time of adoption at the General Meeting. Dividend expected to be paid for the year is disclosed as a separate equity item.

Other provisions

Provisions are recognised when – in consequence of events occurred – the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include expected demolition costs and costs for the removal of known contamination. Obligations for expected demolition costs are recognised at the net present value of expected future costs and a similar amount is capitalised as part of the asset concerned. Subsequent changes to the net present value due to changes to the discount rate or estimated future costs are added to or deducted from the asset.

Debt

Trade payables and payables to group enterprises as well as other debt are measured at amortised costs corresponding to the nominal remaining debt.

Equity

Equity includes the share capital, revaluation reserves and retained earnings including any adjustments relating to previous years as well as any proposed dividend for the year.

Income statement for the period 1 May – 30 April

Amounts in DKK '000

Note	<u>2018/19</u>
	35 231
	8
1	<u>(3 220)</u>
	32 019
	<u>(21 206)</u>
	10 813
2	<u>(96)</u>
	10 717
	<u>(4 552)</u>
	<u>6 165</u>

Which the Executive Board proposes be distributed as follows:

<u>Retained earnings</u>	<u>6 165</u>
<u>Total amount at disposal</u>	<u>6 165</u>

Balance sheet at 30 April

Amounts in DKK '000

Note		<u>2019</u>
	Fixed assets	
3	Property, plant and equipment:	
	Land, buildings and tanks	10 794
	Plant and machinery	25 248
	Other fixtures and fittings, tools and equipment	1 769
	<u>Property, plant and equipment under construction</u>	<u>103 011</u>
		<u>140 822</u>
	<u>Total fixed assets</u>	<u>140 822</u>
	Current assets	
	Receivables:	
	Deferred tax asset	352
	Trade receivables	72
	Receivables from group enterprises	3 057
	Prepayments	385
	<u>Other receivables</u>	<u>1 969</u>
		<u>5 835</u>
	<u>Total current assets</u>	<u>5 835</u>
	<u>Total assets</u>	<u>146 657</u>

Balance sheet at 30 April

Amounts in DKK '000

Note		<u>2019</u>
	Equity	
	Share capital	50
	Share premium account	113 315
	Retained earnings	6 165
		<u>119 530</u>
	Provisions	
4	Other provisions	2 130
		<u>2 130</u>
	Short-term debt	
	Trade payables	18 064
	Payables to group enterprises	1 102
	Corporation tax	5 100
	Other payables	731
		<u>24 997</u>
	Total debt	<u>24 997</u>
	Total liabilities and equity	<u>146 657</u>
5	Contingent liabilities and other financial obligations	
6	Related parties	

Statement of changes in equity

Amounts in DKK '000

	<u>2019</u>
Equity	
Share capital	
Balance at 1 May	50
Balance at 30 April	<u>50</u>
Share premium account	
Balance at 1 May	113 315
Balance at 30 April	<u>113 315</u>
Retained earnings	
Retained earnings at 1 May	0
Dividend	0
Retained earnings, this year	6 165
Retained earnings at 30 April	<u>6 165</u>
Total equity	<u>119 530</u>

Notes to the financial statements

Amounts in DKK '000

	<u>2018/19</u>
1 Staff expenses	
Wages and salaries	(2 979)
Pensions	(227)
Other social security expenses	(11)
Other staff expenses	(3)
	<hr/>
	(3 220)
	<hr/>
Average number of employees	5
	<hr/>

With reference to section 98 B(3) of the Danish Financial Statements Act, remuneration to Management is not disclosed.

2 Financial expenses etc	
Financial expenses to group enterprises	(2)
Other financial expenses	(94)
	<hr/>
	(96)
	<hr/>

Notes to the financial statements

Amounts in DKK '000

	Land, buildings and tanks	Plant and machinery	Other fixtures and fittings, tools and equipment	Property, plant and equipment under construction	Total
3 Property, plant and equipment					
Cost:					
Balance at 1 May	16 568	38 509	1 987	68 658	125 722
Additions for the year	0	4 635	0	34 353	38 988
Disposals for the year	0	(3 551)	0	0	(3 551)
Balance at 30 April	16 568	39 593	1 987	103 011	161 159
Depreciation and impairment losses:					
Balance at 1 May	0	0	0	0	0
Depreciation for the year	5 774	15 214	218	0	21 206
Depreciation of assets sold	0	(869)	0	0	(869)
Balance at 30 April	5 774	14 345	218	0	20 337
Carrying amount at 30 April	10 794	25 248	1 769	103 011	140 822

Notes to the financial statements

Amounts in DKK '000

	<u>2019</u>
4 Other provisions	
Demolition obligation:	
Balance at 1 May	9 918
Additions for the year	22
Applied in the year	(108)
Adjustment for the year	<u>(7 702)</u>
Balance at 30 April	<u>2 130</u>
Expected applied within one year	1
Expected applied after one year	<u>2 129</u>
	<u>2 130</u>
Total provisions	<u>2 130</u>
5 Contingent liabilities and other financial obligations	
Rental obligations	41 984
	<u>41 984</u>
6 Related parties	
Controlling interest:	Basis
Circle K Terminal Group AS Schweigaards gate 16 N-0191 Oslo, Norway	Main shareholder/Parent Company (100% ownership)
Alimentation Couche-Tard Inc. 4204 Industriel Blvd. Laval (Quebec) H7L 0E3 Canada	Ultimate parent company