



LH Capital A/S

Lautrupsgade 7, 5.
2100 København Ø
CVR No. 40756108

Annual report 29.08.2019 - 31.12.2020

The Annual General Meeting adopted the
annual report on 16.03.2021

Peter Kjeldsen Hansen
Chairman of the General Meeting

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Entity details

Entity

LH Capital A/S

Lautrupsgade 7, 5.

2100 København Ø

CVR No.: 40756108

Date of foundation: 29.08.2019

Registered office: København

Financial year: 29.08.2019 - 31.12.2020

Board of Directors

Jesper Mailind, Chairman

Peter Kjeldsen Hansen, Vice chairman

Morten Stampe Christensen

Executive Board

Morten Stampe Christensen, CEO

Mette Poulsen, Finance Manager

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of LH Capital A/S for the financial year 29.08.2019 - 31.12.2020.

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 31.12.2020 and of the results of its operations for the financial year 29.08.2019 - 31.12.2020.

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.

Copenhagen, 16.03.2021

Executive Board

Morten Stampe Christensen
CEO

Mette Poulsen
Finance Manager

Board of Directors

Jesper Mailind
Chairman

Peter Kjeldsen Hansen
Vice chairman

Morten Stampe Christensen

Independent auditor's report

To the shareholder of LH Capital A/S

Opinion

We have audited the financial statements of LH Capital A/S for the financial year 29.08.2019 - 31.12.2020, 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 31.12.2020 and of the results of its operations for the financial year 29.08.2019 - 31.12.2020 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:

- 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.

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, 16.03.2021

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Kirsten Aaskov Mikkelsen

State Authorised Public Accountant
Identification No (MNE) mne21358

Sumit Sudan

State Authorised Public Accountant
Identification No (MNE) mne33716

Management commentary

Primary activities

The object of the company is to carry out business with regard to investment in securities and business related hereto.

Development in activities and finances

The company generated a net profit of DKK 4.9 m in its first accounting period 29 August 2019 – 31 December 2020. Equity amounted to DKK 929.9 m on 31 December 2020.

Income statement for 2019/20

	Notes	2019/20 DKK'000
Other external expenses		(106)
Gross profit/loss		(106)
Other financial income		21,852
Other financial expenses		(16,875)
Profit/loss for the year		4,871
Proposed distribution of profit and loss:		
Retained earnings		4,871
Proposed distribution of profit and loss		4,871

Balance sheet at 31.12.2020

Assets

	Notes	2019/20 DKK'000
Other investments		89,548
Financial assets	2	89,548
Fixed assets		89,548
Other investments	3	839,468
Other investments		839,468
Cash		917
Current assets		840,385
Assets		929,933

Equity and liabilities

	Notes	2019/20 DKK'000
Contributed capital		100,000
Retained earnings		829,871
Equity		929,871
Other payables		62
Current liabilities other than provisions		62
Liabilities other than provisions		62
Equity and liabilities		929,933
Events after the balance sheet date	1	
Working conditions	4	
Contingent liabilities	5	
Related parties with controlling interest	6	

Statement of changes in equity for 2019/20

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Contributed upon formation	100,000	825,000	925,000
Profit/loss for the year	0	4,871	4,871
Equity end of year	100,000	829,871	929,871

Notes

1 Events after the balance sheet date

No events with significant impact on the financial statements have occurred subsequent to 31 december 2020.

2 Financial assets

	Other investments DKK'000
Additions	98,330
Cost end of year	98,330
Fair value adjustments	(8,782)
Impairment losses end of year	(8,782)
Carrying amount end of year	89,548

3 Other investments

Fair value hierarchy at 31 December 2020

DKK'0000	Level 1	Level 2	Level 3	Total
Measured at fair value				
Credit	839,468			839,468
Alternatives (Financial assets)		89,548		89,548
Other investments	839,468	89,548	0	929,016

The fair value is measured based on quoted market prices (Level 1). Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (level 2). If an active market does not exist, the fair value is measured according to generally accepted valuation techniques (Level 3). If a fair value cannot be determined with sufficient reliability the investments are measured at costs less any impairment.

4 Working conditions

The company has no employees besides the executive management who is remunerated by LEO Holding A/S.

5 Contingent liabilities

	2019/20 DKK'000
Recourse and non-recourse guarantee commitments	382,000,000
Contingent liabilities	382,000,000

LH Capital A/S applies section 19 of the Danish Share Premium Tax Act (Aktieavancebeskatningsloven) and is therefore not an independent entity liable to pay Danish corporation tax. The taxable profit/loss is accounted for by LEO Holding A/S.

6 Related parties with controlling interest

LEO Holding A/S owns all shares in the Entity, thus exercising control.

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.

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.

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for legal matters, statutory audit fee, tax advisory, etc.

Other financial income

Other financial income comprises including interest income on receivables from group enterprises, exchange gains on securities and gain on other securities.

Other financial expenses

Other financial expenses comprises interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet

Financial asset

Other financial assets investments comprise unlisted investments measured at fair value based on reported fair values.

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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