

Spitimu ApS

Kastanie Allé 31, 6400 Sønderborg

CVR no. 16 26 98 08

Annual report 2017/18

Approved at the Company's annual general meeting on

11/9-18

Chairman:



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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Spitimu ApS for the financial year 1 July 2017 - 30 June 2018.

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 30 June 2018 and of the results of the Company's operations for the financial year 1 July 2017 - 30 June 2018.

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.

Limassol, 11 September 2018
Executive Board:

A handwritten signature in blue ink, appearing to read 'Ulla Engberg', is written over a dotted horizontal line.

Ulla Engberg
CEO

Independent auditor's report

To the shareholders of Spitimu ApS

Opinion

We have audited the financial statements of Spitimu ApS for the financial year 1 July 2017 - 30 June 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 30 June 2018 and of the results of the Company's operations for the financial year 1 July 2017 - 30 June 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 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 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 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.

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 as to 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 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 Company's internal control.

Independent auditor's 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 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 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 the work we have performed, 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.

Aabenraa, 11 September 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Jon Midtgaard
State Authorised Public Accountant
MNE no.: mne28657



Management's review

Company details

Name	Spitimu ApS
Address, Postal code, City	Kastanie Allé 31, 6400 Sønderborg
CVR no.	16 26 98 08
Established	10 July 1992
Registered office	Sønderborg
Financial year	1 July 2017 - 30 June 2018
Executive Board	Ulla Engberg, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Skibbroen 16, 6200 Aabenraa, Denmark

Management's review

Business review

The company operates within rental properties.

Financial review

In 2017/18, the Company's revenue amounted to DKK 2,537,376 against DKK 2,527,775 last year. The income statement for 2017/18 shows a profit of DKK 214,726 against a profit of DKK 550,652 last year, and the balance sheet at 30 June 2018 shows equity of DKK 4,596,244.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 July 2017 - 30 June 2018

Income statement

Note	DKK	<u>2017/18</u>	<u>2016/17</u>
	Revenue	2,537,376	2,527,775
	External expenses	-1,060,789	-807,938
	Gross margin	<u>1,476,587</u>	<u>1,719,837</u>
3	Staff costs	-144,810	-125,429
	Depreciation of property, plant and equipment	-150,439	-159,566
	Other operating expenses	-3,750	-11,750
	Profit before net financials	<u>1,177,588</u>	<u>1,423,092</u>
	Financial expenses	-901,244	-713,833
	Profit before tax	<u>276,344</u>	<u>709,259</u>
4	Tax for the year	-61,618	-158,607
	Profit for the year	<u>214,726</u>	<u>550,652</u>
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	105,800	0
	Retained earnings	<u>108,926</u>	<u>550,652</u>
		<u>214,726</u>	<u>550,652</u>

Financial statements 1 July 2017 - 30 June 2018

Balance sheet

Note	DKK	<u>2017/18</u>	<u>2016/17</u>
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
	Land and buildings	15,569,889	15,720,328
	Other fixtures and fittings, tools and equipment	0	0
		<u>15,569,889</u>	<u>15,720,328</u>
	Total fixed assets	<u>15,569,889</u>	<u>15,720,328</u>
	Non-fixed assets		
	Receivables		
	Prepayments	59,357	59,266
		<u>59,357</u>	<u>59,266</u>
	Cash	<u>10,100,334</u>	<u>168,168</u>
	Total non-fixed assets	<u>10,159,691</u>	<u>227,434</u>
	TOTAL ASSETS	<u><u>25,729,580</u></u>	<u><u>15,947,762</u></u>

Financial statements 1 July 2017 - 30 June 2018

Balance sheet

Note	DKK	2017/18	2016/17
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	1,125,000	1,125,000
	Retained earnings	3,365,444	2,788,983
	Dividend proposed for the year	105,800	0
	Total equity	<u>4,596,244</u>	<u>3,913,983</u>
	Provisions		
	Deferred tax	27,109	78,020
	Total provisions	<u>27,109</u>	<u>78,020</u>
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Mortgage debt	9,771,391	10,082,834
		<u>9,771,391</u>	<u>10,082,834</u>
	Current liabilities other than provisions		
7	Current portion of long-term liabilities	153,910	203,340
	Mortgage debt	10,270,928	0
	Prepayments received from customers	579,279	519,380
	Trade payables	54,477	57,723
	Income taxes payable	244,398	151,360
	Payables to shareholders and management	0	309,000
8	Other payables	31,844	632,122
		<u>11,334,836</u>	<u>1,872,925</u>
	Total liabilities other than provisions	<u>21,106,227</u>	<u>11,955,759</u>
	TOTAL EQUITY AND LIABILITIES	<u>25,729,580</u>	<u>15,947,762</u>

- 1 Accounting policies
- 2 Special items
- 9 Contractual obligations and contingencies, etc.
- 10 Collateral

Financial statements 1 July 2017 - 30 June 2018

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Dividend proposed for the year</u>	<u>Total</u>
Equity at 1 July 2017	1,125,000	2,788,983	0	3,913,983
Transfer through appropriation of profit	0	108,926	105,800	214,726
Adjustment of hedging instruments at fair value	0	467,535	0	467,535
Equity at 30 June 2018	<u>1,125,000</u>	<u>3,365,444</u>	<u>105,800</u>	<u>4,596,244</u>

Financial statements 1 July 2017 - 30 June 2018

Notes to the financial statements

1 Accounting policies

The annual report of Spitimu ApS for 2017/18 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Derivative financial instruments

On initial recognition, derivative financial instruments are measured at cost. On subsequent recognition, derivative financial instruments are measured at fair value.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future assets and liabilities are recognised in other receivables or other payables and in equity. If the hedged forecast transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or liability, respectively. If the hedged forecast transaction results in income or expenses, amounts previously deferred in equity are transferred to the income statement in the period in which the hedged item affects the profit/loss for the year.

Income statement

Revenue

Revenue in the form of rental income is recognised in the income statement provided that delivery and transfer of risk to the buyer has taken place before the end of the year.

Other operating expenses

Other operating expenses comprise items of a secondary nature relative to the Company's core activities, including losses on the sale of fixed assets.

External expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to administration etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	100 years
Other fixtures and fittings, tools and equipment	5 years

Land is not depreciated.

Financial statements 1 July 2017 - 30 June 2018

Notes to the financial statements

1 Accounting policies (continued)

Financial expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

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.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Receivables

Receivables are measured at amortised cost.

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

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

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.

Financial statements 1 July 2017 - 30 June 2018

Notes to the financial statements

1 Accounting policies (continued)

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.

Other liabilities are measured at net realisable value.

Financial statements 1 July 2017 - 30 June 2018

Notes to the financial statements

2 Special items

DKK	2017/18	2016/17
Expenses		
Amortized borrowing costs etc. on terminated loans	200,817	0
	<u>200,817</u>	<u>0</u>
Special items are recognised in the below items of the financial statements		
Financial expenses	200,817	0
Net profit on special items	<u>200,817</u>	<u>0</u>

3 Staff costs

Wages/salaries	143,313	123,967
Other social security costs	1,497	1,462
	<u>144,810</u>	<u>125,429</u>
Average number of full-time employees	<u>1</u>	<u>1</u>

4 Tax for the year

Estimated tax charge for the year	112,529	151,360
Deferred tax adjustments in the year	-50,911	7,247
	<u>61,618</u>	<u>158,607</u>

5 Property, plant and equipment

DKK	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 July 2017	18,106,679	436,699	18,543,378
Disposals in the year	0	-183,485	-183,485
Cost at 30 June 2018	<u>18,106,679</u>	<u>253,214</u>	<u>18,359,893</u>
Impairment losses and depreciation at 1 July 2017	2,386,351	436,699	2,823,050
Depreciation in the year	150,439	0	150,439
Amortisation/depreciation and impairment of disposals in the year	0	-183,485	-183,485
Impairment losses and depreciation at 30 June 2018	<u>2,536,790</u>	<u>253,214</u>	<u>2,790,004</u>
Carrying amount at 30 June 2018	<u>15,569,889</u>	<u>0</u>	<u>15,569,889</u>

6 Share capital

The Company's share capital has remained DKK 1,125,000 over the past 5 years.

Financial statements 1 July 2017 - 30 June 2018

Notes to the financial statements

7 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 9,430,895 falls due for payment after more than 5 years after the balance sheet date.

DKK	2017/18	2016/17
8 Other payables		
Derivative financial instruments	0	599,404
Other accrued expenses	31,844	32,718
	31,844	632,122

9 Contractual obligations and contingencies, etc.

Other contingent liabilities

None.

10 Collateral

Land and buildings with a carrying amount of DKK 15,569,889 have been provided as security for mortgage debt of DKK 10,215,000 and bank debt of DKK 0.

Cash with a carrying amount of DKK 9,937,415 have been provided as security for bank debt and bank guarantees of DKK 10,215,000.