

Spitimu ApS

Kastanie Allé 31, 6400 Sønderborg

CVR no. 16 26 98 08



Annual report 2015/16

Approved at the annual general meeting of shareholders on 28 November 2016

Chairman:



Building a better
working world



Contents

Statement by the Executive Board	2
Independent auditors' report	3
Management's review	4
Company details	4
Management commentary	5
Financial statements for the period 1 July 2015 - 30 June 2016	6
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes to the financial statements	10



Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Spitimu ApS for the financial year 1 July 2015 - 30 June 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 Company's financial position at 30 June 2016 and of the results of the Company's operations for the financial year 1 July 2015 - 30 June 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.

Limassol, 28 November 2016
Executive Board:

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

Ulla Engberg
CEO



Independent auditors' report

To the shareholders of Spitimu ApS

Independent auditors' report on the financial statements

We have audited the financial statements of Spitimu ApS for the financial year 1 July 2015 - 30 June 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.

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.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 June 2016 and of the results of its operations for the financial year 1 July 2015 - 30 June 2016 in accordance with the Danish Financial Statements Act.

Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Aabenraa, 28 November 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Jon Midtgaard
State Authorised Public Accountant



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 2015 - 30 June 2016
Executive Board	Ulla Engberg, CEO
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Skibbroen 16, 6200 Aabenraa, Denmark



Management's review

Management commentary

Business review

The company operates within rental properties.

Financial review

In 2015/16, the Company's revenue came in at DKK 2,441,541 against DKK 2,386,146 last year. The income statement for 2015/16 shows a profit of DKK 213,068 against a DKK 53,945 last year, and the balance sheet at 30 June 2016 shows equity of DKK 2,893,099.

Financial statements for the period 1 July 2015 - 30 June 2016

Income statement

Note	DKK	2015/16	2014/15
	Revenue	2,441,541	2,386,146
	External expenses	-1,114,837	-1,234,440
	Gross margin	1,326,704	1,151,706
2	Staff costs	-141,852	-152,220
	Depreciation of property, plant and equipment	-168,747	-193,497
	Profit before net financials	1,016,105	805,989
	Financial expenses	-742,941	-736,199
	Profit before tax	273,164	69,790
3	Tax for the year	-60,096	-15,845
	Profit for the year	213,068	53,945
	Proposed profit appropriation		
	Retained earnings	213,068	53,945
		213,068	53,945



Financial statements for the period 1 July 2015 - 30 June 2016

Balance sheet

Note	DKK	<u>2015/16</u>	<u>2014/15</u>
	ASSETS		
	Non-current assets		
4	Property, plant and equipment		
	Land and buildings	15,870,767	16,021,206
	Other fixtures and fittings, tools and equipment	9,127	27,435
		<u>15,879,894</u>	<u>16,048,641</u>
	Total non-current assets	<u>15,879,894</u>	<u>16,048,641</u>
	Current assets		
	Receivables		
	Deferred tax assets	61,856	225,590
	Other receivables	0	17,250
	Prepayments	59,735	56,494
		<u>121,591</u>	<u>299,334</u>
	Total current assets	<u>121,591</u>	<u>299,334</u>
	TOTAL ASSETS	<u><u>16,001,485</u></u>	<u><u>16,347,975</u></u>

Financial statements for the period 1 July 2015 - 30 June 2016

Balance sheet

Note	DKK	<u>2015/16</u>	<u>2014/15</u>
	EQUITY AND LIABILITIES		
	Equity		
5	Share capital	1,125,000	1,125,000
	Retained earnings	1,768,099	1,187,588
	Total equity	<u>2,893,099</u>	<u>2,312,588</u>
	Liabilities other than provisions		
6	Non-current liabilities other than provisions		
	Mortgage debt	10,295,580	10,495,561
		<u>10,295,580</u>	<u>10,495,561</u>
	Current liabilities other than provisions		
6	Current portion of long-term liabilities	193,071	192,356
	Bank debt	296,657	530,430
	Prepayments received from customers	522,803	500,450
	Trade payables	149,098	108,094
	Payables to shareholders and management	412,000	515,000
7	Other payables	1,239,177	1,693,496
		<u>2,812,806</u>	<u>3,539,826</u>
	Total liabilities other than provisions	<u>13,108,386</u>	<u>14,035,387</u>
	TOTAL EQUITY AND LIABILITIES	<u>16,001,485</u>	<u>16,347,975</u>

1 Accounting policies

8 Contractual obligations and contingencies, etc.

9 Collateral

Financial statements for the period 1 July 2015 - 30 June 2016

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 July 2015	1,125,000	1,187,588	2,312,588
Profit/loss for the year	0	213,068	213,068
Adjustment of hedging instruments at fair value	0	367,443	367,443
Equity at 30 June 2016	<u>1,125,000</u>	<u>1,768,099</u>	<u>2,893,099</u>

Financial statements for the period 1 July 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies

Spitimu ApS' annual report for 2015/16 has been prepared in accordance with the provisions which apply to reporting class B entities under the Danish Financial Statements Act.

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.

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:

Land and buildings	100 years
Other fixtures and fittings, tools and equipment	5 years

Land is not depreciated.

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.

Financial statements for the period 1 July 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies (continued)

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.

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.

Financial statements for the period 1 July 2015 - 30 June 2016

Notes to the financial statements

1 Accounting policies (continued)

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 for the period 1 July 2015 - 30 June 2016

Notes to the financial statements

DKK	2015/16	2014/15
2 Staff costs		
Wages/salaries	140,326	151,142
Other social security costs	1,526	1,078
	<u>141,852</u>	<u>152,220</u>

3 Tax for the year		
Deferred tax adjustments in the year	60,096	15,845
	<u>60,096</u>	<u>15,845</u>

4 Property, plant and equipment

DKK	Land and buildings	Other fixtures and fittings, tools and equipment	Total
Cost at 1 July 2015	18,106,679	436,699	18,543,378
Cost at 30 June 2016	18,106,679	436,699	18,543,378
Impairment losses and depreciation at 1 July 2015	2,085,473	409,264	2,494,737
Depreciation in the year	150,439	18,308	168,747
Impairment losses and depreciation at 30 June 2016	2,235,912	427,572	2,663,484
Carrying amount at 30 June 2016	<u>15,870,767</u>	<u>9,127</u>	<u>15,879,894</u>

5 Share capital

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

6 Long-term liabilities

Of the long-term liabilities, DKK 9,641,188 falls due for payment after more than 5 years after the balance sheet date.

DKK	2015/16	2014/15
7 Other payables		
Derivative financial instruments	1,202,265	1,673,346
Other accrued expenses	36,912	20,150
	<u>1,239,177</u>	<u>1,693,496</u>



Financial statements for the period 1 July 2015 - 30 June 2016

Notes to the financial statements

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

None.

9 Collateral

Land and buildings with a carrying amount of DKK 15,870,767 have been provided as security for mortgage debt of DKK 10,635,442 and bank debt of DKK 296,657.