SKOV Invest, Glyngøre ApS

Hedelund 4, DK-7870 Roslev

Annual Report for 1 January - 31 December 2017

CVR No 17 26 83 84

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 10/04 2018

Henning Jensen
Chairman

Contents

Management's Statement

The Executive Board has today considered and adopted the Annual Report of SKOV Invest, Glyngøre ApS for the financial year 1 January - 31 December 2017.

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 31 December 2017 of the Company and of the results of the Company operations for 2017.

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

Glyngøre, 28 March 2018

Executive Board

Henning Jensen
Executive Officer

Independent Auditor’s Report

To the Shareholder of SKOV Invest, Glyngøre ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company’s operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of SKOV Invest, Glyngøre ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies (”the Financial Statements”).

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 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 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 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 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 Company'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 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 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.

Skive, 28 March 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Martin Furbo	Allan Christensen
State Authorised Public Accountant	State Authorised Public Accountant
mne32204	mne35463

Company Information

The Company	SKOV Invest, Glyngøre ApS Hedelund 4 DK-7870 Roslev CVR No: 17 26 83 84 Financial period: 1 January - 31 December Municipality of reg. office: Skive
Executive Board	Henning Jensen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Resenvej 81 Postboks 19 DK-7800 Skive
Lawyers	Gorrissen Federspiel Silkeborgvej 2 DK-8000 Århus C
Bankers	Danske Bank A/S Dalgasgade 27 DK-7400 Herning

Income Statement 1 January - 31 December

	Note	2017 DKK	2016 DKK
Gross profit/loss		**7.886.170**	**4.888.635**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3.734.023	-2.030.869
Profit/loss before financial income and expenses		**4.152.147**	**2.857.766**
Financial income		24.245	25.112
Financial expenses	2	-1.028.854	-624.057
Profit/loss before tax		**3.147.538**	**2.258.821**
Tax on profit/loss for the year	3	-692.782	-525.248
Net profit/loss for the year		**2.454.756**	**1.733.573**

Distribution of profit

Proposed distribution of profit		
Retained earnings	2.454.756	1.733.573
	2.454.756	**1.733.573**

Balance Sheet 31 December

Assets

	Note	2017	2016
		DKK	DKK
Land and buildings		53.914.401	52.190.670
Property, plant and equipment	4	**53.914.401**	**52.190.670**
Fixed assets		**53.914.401**	**52.190.670**
Other receivables		2.641.218	5.415.723
Deferred tax asset		393.486	240.654
Corporation tax receivable from group enterprises		17.718	0
Receivables		**3.052.422**	**5.656.377**
Other securities and equity investments		**207.281**	**207.259**
Cash at bank and in hand		**2.272.070**	**2.985.027**
Currents assets		**5.531.773**	**8.848.663**
Assets		**59.446.174**	**61.039.333**

Balance Sheet 31 December

Liabilities and equity

	Note	2017	2016
		DKK	DKK
Share capital		1.000.000	1.000.000
Retained earnings		24.478.179	22.023.423
Equity	5	**25.478.179**	**23.023.423**
Mortgage loans		0	19.329.685
Payables to group enterprises		18.131.316	0
Other payables		6.000.000	9.000.000
Long-term debt	6	**24.131.316**	**28.329.685**
Mortgage loans	6	0	2.147.596
Trade payables		15.000	15.000
Payables to group enterprises	6	1.949.232	0
Corporation tax		27.332	42.742
Payables to group enterprises relating to corporation tax		0	7.198
Other payables	6	7.845.115	7.473.689
Short-term debt		**9.836.679**	**9.686.225**
Debt		**33.967.995**	**38.015.910**
Liabilities and equity		**59.446.174**	**61.039.333**
Main activity	1		
Contingent assets, liabilities and other financial obligations	7		
Accounting Policies	8		

Notes to the Financial Statements

1 Main activity

The company lets out real property.

2 Financial expenses

	2017	2016
	DKK	DKK
Interest paid to group enterprises	80.549	0
Other financial expenses	948.305	624.057
	1.028.854	**624.057**

3 Tax on profit/loss for the year

	2017	2016
Current tax for the year	845.614	577.940
Deferred tax for the year	-152.832	-52.692
	692.782	**525.248**
Tax on profit/loss for the year is calculated as follows:		
Calculated 22% tax on profit/loss for the year before tax	692.458	496.941
Tax effect of:		
Tax on non-deductible expenses and non-taxable income	324	28.307
	692.782	**525.248**

4 Property, plant and equipment

	Land and buildings
	DKK
Cost at 1 January	74.071.974
Additions for the year	5.457.755
Cost at 31 December	79.529.729
Impairment losses and depreciation at 1 January	21.881.304
Depreciation for the year	3.734.024
Impairment losses and depreciation at 31 December	25.615.328
Carrying amount at 31 December	**53.914.401**
Depreciated over	20 years

Notes to the Financial Statements

5 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	1.000.000	22.023.423	23.023.423
Net profit/loss for the year	0	2.454.756	2.454.756
Equity at 31 December	**1.000.000**	**24.478.179**	**25.478.179**

6 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2017	2016
	DKK	DKK
Mortgage loans		
After 5 years	0	10.476.314
Between 1 and 5 years	0	8.853.371
Long-term part	0	19.329.685
Within 1 year	0	2.147.596
	0	**21.477.281**
Payables to group enterprises		
After 5 years	10.372.044	0
Between 1 and 5 years	7.759.272	0
Long-term part	18.131.316	0
Within 1 year	1.949.232	0
	20.080.548	**0**
Other payables		
Between 1 and 5 years	6.000.000	9.000.000
Long-term part	6.000.000	9.000.000
Within 1 year	3.000.000	3.000.000
Other short-term payables	4.845.115	4.473.689
Short-term part	7.845.115	7.473.689
	13.845.115	**16.473.689**

Notes to the Financial Statements

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The Group's enterprises are jointly and severally liable for the tax on the Group's jointly taxed income etc. The Group's total accrued corporation tax amounts to DKK 9,614. Moreover, the Group's enterprises are jointly and severally liable for Danish withholding tax such as tax on dividend, royalty and interest. Any subsequent adjustments to the corporation tax or withholding tax may result in an increase of the Group's liability.

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of SKOV Invest, Glyngøre ApS for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

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

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

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 differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

8 Accounting Policies (continued)

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

8 Accounting Policies (continued)

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other buildings	20 years

Depreciation period and residual value are reassessed annually.

Assets costing less than DKK 13,200 are expensed in the year of acquisition.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value. Provisions for estimated bad debts are made.

Current asset investments

Current asset investments, which consist of listed bonds and shares, are measured at their fair values at the balance sheet date. Fair value is determined on the basis of the latest quoted market price.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimi-

8 Accounting Policies (continued)

nation in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Loans are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.