SKOV Invest, Glyngøre ApS

Hedelund 4, DK-7870 Roslev

Annual Report for 1 January - 31 December 2018

CVR No 17 26 83 84

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 10/4 2019

Henning Jensen
Chairman of the General Meeting

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 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 at 31 December 2018 of the Company and of the results of the Company operations for 2018.

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

Glyngøre, 10 April 2019

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 2018 and of the results of the Company's operations for the financial year 1 January - 31 December 2018 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 2018, 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

Independent Auditor’s Report

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, 10 April 2019
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Allan Christensen
State Authorised Public Accountant
mne35463

Martin Furbo
State Authorised Public Accountant
mne32204

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	2018 DKK	2017 DKK
Gross profit/loss		**8.475.702**	**7.886.170**
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-3.902.352	-3.734.023
Profit/loss before financial income and expenses		**4.573.350**	**4.152.147**
Financial income		21.839	24.245
Financial expenses	2	-446.799	-1.028.854
Profit/loss before tax		**4.148.390**	**3.147.538**
Tax on profit/loss for the year	3	-912.709	-692.782
Net profit/loss for the year		**3.235.681**	**2.454.756**

Distribution of profit

Proposed distribution of profit

Retained earnings	3.235.681	2.454.756
	3.235.681	**2.454.756**

Balance Sheet 31 December

Assets

	Note	2018	2017
		DKK	DKK
Land and buildings		50.012.050	53.914.401
Property, plant and equipment	4	**50.012.050**	**53.914.401**
Fixed assets		**50.012.050**	**53.914.401**
Receivables from group enterprises		369.086	0
Other receivables		0	2.641.218
Deferred tax asset		583.351	393.486
Corporation tax receivable from group enterprises		0	17.718
Receivables		**952.437**	**3.052.422**
Other securities and equity investments		**205.055**	**207.281**
Cash at bank and in hand		**7.118.295**	**2.272.070**
Currents assets		**8.275.787**	**5.531.773**
Assets		**58.287.837**	**59.446.174**

Balance Sheet 31 December

Liabilities and equity

	Note	2018	2017
		DKK	DKK
Share capital		1.000.000	1.000.000
Retained earnings		27.713.860	24.478.179
Equity	5	**28.713.860**	**25.478.179**
Payables to group enterprises		16.234.602	18.131.316
Other payables		3.000.000	6.000.000
Long-term debt	6	**19.234.602**	**24.131.316**
Trade payables		15.000	15.000
Payables to group enterprises	6	1.896.714	1.949.232
Corporation tax		591.660	27.332
Other payables	6	7.836.001	7.845.115
Short-term debt		**10.339.375**	**9.836.679**
Debt		**29.573.977**	**33.967.995**
Liabilities and equity		**58.287.837**	**59.446.174**
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.

	2018	2017
	DKK	DKK
2 Financial expenses		
Interest paid to group enterprises	300.000	80.549
Other financial expenses	146.799	948.305
	446.799	**1.028.854**

3 Tax on profit/loss for the year

	2018	2017
Current tax for the year	1.102.574	845.614
Deferred tax for the year	-189.865	-152.832
	912.709	**692.782**
Tax on profit/loss for the year is calculated as follows:		
Calculated 22% tax on profit/loss for the year before tax	912.646	692.458
Tax effect of:		
Tax on non-deductible expenses and non-taxable income	63	324
	912.709	**692.782**

4 Property, plant and equipment

	Land and buildings
	DKK
Cost at 1 January	79.529.730
Cost at 31 December	79.529.730
Impairment losses and depreciation at 1 January	25.615.328
Depreciation for the year	3.902.352
Impairment losses and depreciation at 31 December	29.517.680
Carrying amount at 31 December	**50.012.050**
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	24.478.179	25.478.179
Net profit/loss for the year	0	3.235.681	3.235.681
Equity at 31 December	**1.000.000**	**27.713.860**	**28.713.860**

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:

	2018	2017
	DKK	DKK
Payables to group enterprises		
After 5 years	8.358.941	10.372.044
Between 1 and 5 years	7.875.661	7.759.272
Long-term part	16.234.602	18.131.316
Within 1 year	1.896.714	1.949.232
	18.131.316	**20.080.548**
Other payables		
Between 1 and 5 years	3.000.000	6.000.000
Long-term part	3.000.000	6.000.000
Within 1 year	3.000.000	3.000.000
Other short-term payables	4.836.001	4.845.115
Short-term part	7.836.001	7.845.115
	10.836.001	**13.845.115**

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 TDKK 592. 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 2018 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 2018 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, gross profit/loss is calculated as a summary of revenue and other external expenses.

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 13,500 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-

Notes to the Financial Statements

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.