

HQN Holding ApS

C/O Lund Elmer Sandager Advokatpartnerselskab, Kalvebod Brygge 39-41, 1560 København

Company reg. no. 28 11 46 13

Annual report

1 January - 31 December 2018

The annual report was submitted and approved by the general meeting on the 9 May 2019.

Peter Sørensen
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's report

The managing director has today presented the annual report of HQN Holding ApS for the financial year 1 January to 31 December 2018.

The annual report has been presented in accordance with the Danish Financial Statements Act.

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København, 8 May 2019

Managing Director

Ana Maria Mazalu

Independent auditor's report

To the shareholders of HQN Holding ApS

Opinion

We have audited the annual accounts of HQN Holding ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 8 May 2019

Redmark

State Authorised Public Accountants
Company reg. no. 29 44 27 89

Darnell Vagnild

State Authorised Public Accountant
mne32116

Company data

| | |
|--------------------------|--|
| The company | HQN Holding ApS C/O Lund Elmer Sandager Advokatpartnerselskab Kalvebod Brygge 39-41 1560 København |
| | Phone 33300200 Fax 33300299 E mail ps@lundelmersandager.dk |
| | Company reg. no. 28 11 46 13 Domicile: Copenhagen Financial year: 1 January - 31 December 15th financial year |
| Managing Director | Ana Maria Mazalu |
| Auditors | Redmark Statsautoriseret Revisionspartnerselskab Dirch Passers Allé 76 2000 Frederiksberg |
| Bankers | Danske Bank, Frederikssundsvej 52, 2400 København |
| Lawyer | Peter Sørensen, Kalvebod Brygge 39, 1560 København |
| Parent company | M.S.Holding A/S, |
| Subsidiary | Cape Horn Investment ApS, København |

Management's review

The principal activities of the company

The object of the company is portfolio of shares, shareholding and investment as well as related business.

Development in activities and financial matters

The gross loss for the year is DKK -33.500 against DKK -35.602 last year. The results from ordinary activities after tax are DKK -8.094.836 against DKK 10.292.234 last year. The management consider the results unsatisfactory.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Profit and loss account 1 January - 31 December

All amounts in DKK.

| <u>Note</u> | <u>2018</u> | <u>2017</u> |
|---|-------------------|-------------------|
| Gross loss | -33.500 | -35.602 |
| Income from equity investments in group enterprises | -8.281.889 | 10.108.717 |
| Other financial income | 286.518 | 270.906 |
| 1 Other financial costs | -13.231 | -43 |
| Results before tax | -8.042.102 | 10.343.978 |
| Tax on ordinary results | -52.734 | -51.744 |
| Results for the year | -8.094.836 | 10.292.234 |
| Proposed distribution of the results: | | |
| Reserves for net revaluation as per the equity method | -8.281.889 | 10.108.717 |
| Allocated to results brought forward | 187.053 | 183.517 |
| Distribution in total | -8.094.836 | 10.292.234 |

Balance sheet 31 December

All amounts in DKK.

| Assets | | <u>2018</u> | <u>2017</u> |
|-----------------------|---|---------------------------|---------------------------|
| <u>Note</u> | | | |
| Fixed assets | | | |
| 2 | Equity investments in group enterprises | <u>86.489.728</u> | <u>94.771.617</u> |
| | Financial fixed assets in total | <u>86.489.728</u> | <u>94.771.617</u> |
| | Fixed assets in total | <u>86.489.728</u> | <u>94.771.617</u> |
| Current assets | | | |
| | Amounts owed by group enterprises | <u>14.612.394</u> | <u>13.838.279</u> |
| | Debtors in total | <u>14.612.394</u> | <u>13.838.279</u> |
| | Available funds | <u>2.522.767</u> | <u>3.060.594</u> |
| | Current assets in total | <u>17.135.161</u> | <u>16.898.873</u> |
| | Assets in total | <u>103.624.889</u> | <u>111.670.490</u> |

Balance sheet 31 December

All amounts in DKK.

| Equity and liabilities | | | |
|-------------------------------|---|---------------------------|---------------------------|
| <u>Note</u> | | <u>2018</u> | <u>2017</u> |
| Equity | | | |
| 3 | Contributed capital | 200.000 | 200.000 |
| 4 | Reserves for net revaluation as per the equity method | 64.242.728 | 72.524.617 |
| 5 | Results brought forward | 39.052.681 | 38.865.628 |
| | Equity in total | <u>103.495.409</u> | <u>111.590.245</u> |
| Liabilities | | | |
| | Trade creditors | 25.000 | 28.500 |
| | Corporate tax | 51.746 | 51.745 |
| | Tax payables to group enterprises | 52.734 | 0 |
| | Short-term liabilities in total | <u>129.480</u> | <u>80.245</u> |
| | Liabilities in total | <u>129.480</u> | <u>80.245</u> |
| | Equity and liabilities in total | <u>103.624.889</u> | <u>111.670.490</u> |

6 Contingencies

Notes

All amounts in DKK.

| | <u>2018</u> | <u>2017</u> |
|---|--------------------------|---------------------------|
| 1. Other financial costs | | |
| Other financial costs | 13.231 | 43 |
| | <u>13.231</u> | <u>43</u> |
| 2. Equity investments in group enterprises | | |
| Acquisition sum, opening balance 1 January 2018 | 22.247.000 | 22.247.000 |
| Cost 31 December 2018 | <u>22.247.000</u> | <u>22.247.000</u> |
| Revaluations, opening balance 1 January 2018 | 72.524.617 | 62.415.900 |
| Results for the year before goodwill amortisation | -8.281.889 | 10.108.717 |
| Revaluation 31 December 2018 | <u>64.242.728</u> | <u>72.524.617</u> |
| Book value 31 December 2018 | <u>86.489.728</u> | <u>94.771.617</u> |
| Group enterprises: | | |
| | Domicile | Share of ownership |
| Cape Horn Investment ApS | København | 100 % |
| 3. Contributed capital | | |
| Contributed capital 1 January 2018 | 200.000 | 200.000 |
| | <u>200.000</u> | <u>200.000</u> |
| 4. Reserves for net revaluation as per the equity method | | |
| Reserves for net revaluation 1 January 2018 | 72.524.617 | 62.415.900 |
| Share of results | -8.281.889 | 10.108.717 |
| | <u>64.242.728</u> | <u>72.524.617</u> |

Notes

All amounts in DKK.

| | <u>31/12 2018</u> | <u>31/12 2017</u> |
|---|--------------------------|--------------------------|
| 5. Results brought forward | | |
| Results brought forward 1 January 2018 | 38.865.628 | 38.682.111 |
| Profit or loss for the year brought forward | <u>187.053</u> | <u>183.517</u> |
| | <u>39.052.681</u> | <u>38.865.628</u> |

6. Contingencies

Joint taxation

M.S.Holding A/S being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The total tax payable under the joint taxation amounts to DKK 0 thousand.

Accounting policies used

The annual report for HQN Holding ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross loss

Other external costs comprise costs for administration.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Accounting policies used

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

Accounting policies used

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Available funds

Available funds comprise cash at bank and in hand.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, HQN Holding ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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