

## **Southern Lands Ejendom ApS**

**c/o Harbour House, Sundkrogsgade 21, DK-  
2100 Copenhagen**

**CVR no. 29 18 80 76**

### **Annual report for 2017**

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Adopted at the annual general meeting  
on 6 July 2018



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Vibeke Rohde  
chairman

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## Statement by management on the annual report

The supervisory and executive boards have today discussed and approved the annual report of Southern Lands Ejendom ApS for the financial year 1 January - 31 December 2017.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2017 and of the results of the company's operations for the financial year 1 January - 31 December 2017.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved at the annual general meeting.

Copenhagen, 5 July 2018

### Executive board



Niels Christian Wedell-  
Wedellsborg

### Supervisory board



Gilles Marie Bertrand  
Dominique Lambotte



Didrik Joakim Lehmkuhl

## **Independent auditor's report**

### ***To the shareholder of Southern Lands Ejendom ApS***

#### **Opinion**

We have audited the financial statements of Southern Lands Ejendom ApS for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position 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.

#### **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.

#### **Emphasis of matter**

Without qualifying our opinion, we point out that the company's equity is negative, and the share capital is lost. The negative equity is financed by loans which will only be repaid if the necessary funds are available. As mentioned in note 3 and management's review, the company expects to reestablish its share capital through future profits. On this basis we concur that it is appropriate to conclude that the financial statements can be presented on going concern basis.

#### **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.

## Independent auditor's report

### **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 judgment and maintain professional skepticism 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.

## Independent auditor's report

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 management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of management's review.

Copenhagen, 5 July 2018

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 96 35 56

  
Kim Takata Mücke  
state authorised public accountant  
MNE no. mne10944

## Company details

### The company

Southern Lands Ejendom ApS  
c/o Harbour House  
Sundkrogsgade 21  
DK-2100 Copenhagen

CVR no.: 29 18 80 76

Reporting period: 1 January - 31 December 2017

Domicile: Copenhagen

### Supervisory board

Gilles Marie Bertrand Dominique Lambotte  
Didrik Joakim Lehmkuhl

### Executive board

Niels Christian Wedell-Wedellsborg

### Auditors

Deloitte  
Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
DK-2300 Copenhagen

## Management's review

### **Business activities**

The company's principal activities consists in investment in and holding shares.

### **Business review**

The Company's income statement for the year ended 31 December shows a profit of DKK 16.900.665, and the balance sheet at 31 December 2017 shows negative equity of DKK 3.583.186.

### **Financing**

At 31 December 2017, the company had a negative equity and has lost its share capital. The negative equity is financed by loans from group enterprises and other sources, and the company expects to re-establish the loss through future profit from the company's investment in Crillón S.A.

The company's payable to group enterprises and other payables are derived from the financing of the company's investment in subsidiary, Crillón S.A., which is a real estate development and construction company, that is still in the development and construction phase. Therefore the parties have agreed that the loans are not to be repaid before the subsidiary finishes the construction phase and starts to generate earnings from future real estate sales.

No interest is applied on the loans in the construction phase and the loans are not to be paid before other payables.

On this basis, management has concluded that it is appropriate to present the financial statements on a going concern basis.

### **Significant events occurring after end of reporting period**

No events have occurred after the balance sheet date which could significantly affect the company's financial position.



## Income statement 1 January - 31 December

	<u>Note</u>	<u>2017</u> DKK	<u>2016</u> DKK
<b>Gross profit</b>		<b>-264.595</b>	<b>-328.063</b>
Financial income		17.197.434	1.670
Financial expenses		-32.174	-4.520.782
<b>Profit/loss before tax</b>		<b>16.900.665</b>	<b>-4.847.175</b>
Tax on profit/loss for the year		0	0
<b>Net profit/loss for the year</b>		<b><u>16.900.665</u></b>	<b><u>-4.847.175</u></b>
 <b>Distribution of profit</b>			
Retained earnings		16.900.665	-4.847.175
		<b><u>16.900.665</u></b>	<b><u>-4.847.175</u></b>

## Balance sheet 31 December

	Note	2017 DKK	2016 DKK
<b>Assets</b>			
Investments in subsidiaries		123.202.187	123.202.187
<b>Fixed asset investments</b>		<b>123.202.187</b>	<b>123.202.187</b>
<b>Fixed assets total</b>		<b>123.202.187</b>	<b>123.202.187</b>
Other receivables		0	22.350
Prepayments		44.673	41.819
<b>Receivables</b>		<b>44.673</b>	<b>64.169</b>
<b>Cash at bank and in hand</b>		<b>62.846</b>	<b>113.780</b>
<b>Current assets total</b>		<b>107.519</b>	<b>177.949</b>
<b>Assets total</b>		<b>123.309.706</b>	<b>123.380.136</b>

## Balance sheet 31 December

	Note	2017 DKK	2016 DKK
<b>Liabilities and equity</b>			
Share capital		425.000	425.000
Retained earnings		-4.008.186	-20.908.851
<b>Equity</b>	2	<b>-3.583.186</b>	<b>-20.483.851</b>
Payables to group enterprises		110.863.314	125.955.955
Other payables		15.130.226	17.187.674
<b>Long-term debt</b>		<b>125.993.540</b>	<b>143.143.629</b>
Trade payables		104.157	89.624
Payables to subsidiaries		795.194	630.734
Other payables		1	0
<b>Short-term debt</b>		<b>899.352</b>	<b>720.358</b>
<b>Debt total</b>		<b>126.892.892</b>	<b>143.863.987</b>
<b>Liabilities and equity total</b>		<b>123.309.706</b>	<b>123.380.136</b>
Uncertainty about the continued operation (going concern)	3		
Contingent assets, liabilities and other financial obligations	4		

## Notes

	<u>2017</u>	<u>2016</u>
	DKK	DKK
<b>1 Staff expenses</b>		
Average number of employees	<u>0</u>	<u>0</u>

## 2 Equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2017	425.000	-20.908.851	-20.483.851
Net profit/loss for the year	0	16.900.665	16.900.665
<b>Equity at 31 December 2017</b>	<b><u>425.000</u></b>	<b><u>-4.008.186</u></b>	<b><u>-3.583.186</u></b>

## 3 Uncertainty about the continued operation (going concern)

At 31 December 2017, the company had a negative equity and has lost its share capital. The negative equity is financed by loans from group enterprises and other sources, and the company expects to re-establish the loss through future profit from the company's investment in Crillón S.A.

The company's payable to group enterprises and other payables are derived from the financing of the company's investment in subsidiary, Crillón S.A., which is a real estate development and construction company, that is still in the development and construction phase. Therefore the parties have agreed that the loans are not to be repaid before the subsidiary finishes the construction phase and starts to generate earnings from future real estate sales.

No interest is applied on the loans in the construction phase and the loans are not to be paid before other payables.

On this basis, Management has concluded that it is appropriate to present the financial statements on a going concern basis.

## 4 Contingent assets, liabilities and other financial obligations

The company has an unrecorded tax asset of DKK 3.751.953, which is not expected to be utilized within 3-5 years.

## Accounting policies

The annual report of Southern Lands Ejendom 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 are consistent with those of last year.

The annual report for 2017 is presented in DKK.

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

## Income statement

### Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

## Accounting policies

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less raw materials and consumables and other external expenses.

### Other external expenses

Other external expenses include expenses related to administration.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on foreign currency transactions and surcharges and allowances under the advance-payment-of-tax scheme, etc.

### Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

## Balance sheet

### Investments in subsidiaries

Investments in subsidiaries are measured at cost and are written down to the lower of the recoverable amount and carrying amount.

### Receivables

Receivables are measured at amortised cost.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received, using the effective interest rate of individual receivables or portfolios of receivables as discount rate.

### Cash in bank and in hand

Cash and cash equivalents comprise cash.

### Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

## Accounting policies

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

### Liabilities

Liabilities, which include trade payables, payables to group enterprises and other payables, are measured at amortised cost, which is usually equivalent to nominal value.