

# **FINBRO HOLDING ApS**

Omogade 8, 2  
2100 Copenhagen O

Annual report  
1 January 2016 - 31 December 2016

**The annual report has been presented and  
approved on the company's general meeting the**

**04/07/2017**

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**Stefano Oragano**  
**Chairman of general meeting**

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# Company information

**Reporting company** FINBRO HOLDING ApS  
Omogade 8, 2  
2100 Copenhagen O

CVR-nr: 29771057  
Reporting period: 01/01/2016 - 31/12/2016

**Auditor** BDO Statsautoriseret revisionsaktieselskab  
Havneholmen 29  
1561 Copenhagen V  
DK Denmark  
CVR-nr: 20222670  
P-number: 1002977095

# Statement by Management

The Management has today presented the Annual Report for the 2016 financial year of Finbro Holding ApS.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016, and the results for the financial year 1 January – 31 December 2016. Also, we believe that the Management report contains a fair review of the affairs and conditions referred to therein.

The Annual Report is submitted for adoption by the General Meeting.

Copenhagen, the 04/07/2017

**Management**

Ivan Zammit

# The independent auditor's report on financial statements

To the shareholders of FINBRO HOLDING ApS

## Qualified Opinion

We have audited the Financial Statements of FINBRO HOLDING APS for the financial year 1 January - 31 December 2016, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

In our opinion, the Financial Statements, apart from the possible impact of the circumstances described in the "Basis for qualified opinion", give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company operations for the financial year 1 January - 31 December 2016 in accordance with the Danish Financial Statements Act.

## Basis for qualified opinion

We have not been able to obtain sufficient and appropriate audit evidence regarding the valuation of the Company's receivables for 2016.

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.

## Responsibilities of management 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 responsibility

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.

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 the 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, 04/07/2017

Morten Kenhof  
State Authorised Public Accountant  
BDO Statsautoriseret revisionsaktieselskab  
CVR: 20222670

# Management's Review

## **Principal activities**

The Company's object is to conduct trade and financial activities, including the acquisition of and investment in share capital as a holding company in Danish and foreign companies, and any other similar business in accordance with the decision of the management board.

## **Development in activities and economic conditions**

The company considers the results for the year to be in line with expectation.

The company's continued operation is subject to future contributions from shareholder. The financial statements are prepared based on the assumption of continued operation. The parent company Financial Brothers Limited, Malta, has provided a letter of support to ensure that the company is a going concern.

## **Events after the end of the financial year**

No events have occurred after the year-end of the financial year that may have a significant impact on the financial position of the company.

# Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B. There have been options of certain rules in reporting class C.

## Changes in accounting policies

There are no changes in accounting policies.

## GENERAL

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and impairment, are also recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is likely that future economic benefits will not accrue to the Company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant yield to maturity. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation on the difference between cost and nominal amount.

The recognition and measurement takes into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

The carrying amount of intangible and tangible fixed assets should be estimated annually to determine if there is any indication of impairment in excess of the amount reflected by normal amortisation or depreciation. If this is the case, write-down should be made to the lower recoverable amount.

The Annual Report has been prepared in EUR.

## INCOME STATEMENT

### Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration. Also in this items are write-downs for bad debt losses.

### Financial income and financial expenses

Financial income and financial expenses include interest, financial expenses in connection with capital leases, realised and unrealised exchange rate gains and losses of securities, loans and transactions in foreign currencies, write-off of financial assets and financial commitments, and on account transactions, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Dividend from investments is recognised as income in the year the dividend is declared.

### Tax for the year

The tax for the year consists of the current tax and the deferred tax for the year. The tax relating to the results is recognised in the income statement, whereas the tax directly relating to equity entries is taken directly to equity.

## BALANCE SHEET

### Financial non-current assets

Investments in group companies are measured at acquisition cost. Under circumstances where the acquisition cost exceeds the net realisable value, then the value of the investments is written down to the lower value.

### Receivables

Receivables are measured at amortised cost. The value will be reduced by the provision for bad debts.

### Current tax and deferred tax

Current tax liabilities and tax receivables are recognised in the balance sheet as calculated tax of taxable income for the financial year adjusted for the tax paid in previous years and paid tax on account.

Deferred tax is measured on all temporary differences arising between the tax values of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets, including the tax value of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination against tax on future earnings or by setoff against deferred tax liabilities within the same legal tax entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that under the legislation in force on the balance sheet date would be applicable when the deferred tax is expected to crystallise as current tax. A change in the deferred tax, which is a result of changes to tax rates, is recognised in the income statement with the exception of items that are taken directly to equity.

### Financial liabilities

Financial liabilities are recognised initially at the proceeds net of loan expenses incurred. In the subsequent periods the financial liabilities are measured at amortised cost equal to the capitalised value by using the effective yield method in order for the difference between the proceeds and the redemption value to be recognised in the income statement over the period of the loan.

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

### Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates approximating those in effect at the date of each transaction. Exchange rate differences arising between the transaction date rates and the rates at the date of payment are recognised under financial income and expenses in the income statement. When exchange rate transactions are considered as hedging of future cash flows, the adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign exchange not settled at the balance sheet date are translated at the average of the buy and sell exchange rates available at the close of business on the balance sheet date. Differences between the exchange rates at the balance sheet date and the transaction date rates are recognised under financial income and expenses in the income statement.

# Income statement 1 Jan 2016 - 31 Dec 2016

	Disclosure	2016 EUR	2015 EUR
Administrative expenses .....		-13,857	-11,012
<b>Gross Result .....</b>		<b>-13,857</b>	<b>-11,012</b>
<b>Profit (loss) from ordinary operating activities .....</b>		<b>-13,857</b>	<b>-11,012</b>
Other finance income .....		-9,552	17,667
Other finance expenses .....		-9,934	-9,617
<b>Profit (loss) from ordinary activities before tax .....</b>		<b>-33,343</b>	<b>-2,962</b>
<b>Profit (loss) .....</b>		<b>-33,343</b>	<b>-2,962</b>
<b>Proposed distribution of results</b>			
Retained earnings .....		-33,343	-2,962
<b>Proposed distribution of profit (loss) .....</b>		<b>-33,343</b>	<b>-2,962</b>

# Balance sheet 31 December 2016

## Assets

	Disclosure	2016 EUR	2015 EUR
Investments in group enterprises .....		3,332,228	3,332,228
Investments in associates .....		34,000	34,000
<b>Investments .....</b>	<b>1</b>	<b>3,366,228</b>	<b>3,366,228</b>
<b>Total non-current assets .....</b>		<b>3,366,228</b>	<b>3,366,228</b>
Receivables from group enterprises .....		347,859	358,671
<b>Receivables .....</b>		<b>347,859</b>	<b>358,671</b>
<b>Current assets .....</b>		<b>347,859</b>	<b>358,671</b>
<b>Total assets .....</b>		<b>3,714,087</b>	<b>3,724,899</b>

# Balance sheet 31 December 2016

## Liabilities and equity

	Disclosure	2016 EUR	2015 EUR
Contributed capital .....		17,000	17,000
Retained earnings .....		-84,374	-51,031
<b>Total equity .....</b>		<b>-67,374</b>	<b>-34,031</b>
Payables to group enterprises .....		0	3,336,228
<b>Long-term liabilities other than provisions, gross .....</b>		<b>0</b>	<b>3,336,228</b>
Payables to group enterprises .....		863,233	419,967
Other payables, including tax payables, liabilities other than provisions .....		2,000	2,735
Payables to shareholders and management .....		2,916,228	0
<b>Short-term liabilities other than provisions, gross .....</b>		<b>3,781,461</b>	<b>422,702</b>
<b>Liabilities other than provisions, gross .....</b>		<b>3,781,461</b>	<b>3,758,930</b>
<b>Liabilities and equity, gross .....</b>		<b>3,714,087</b>	<b>3,724,899</b>

# Statement of changes in equity 1 Jan 2016 - 31 Dec 2016

	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Equity, beginning balance .....	17,000	-51,031	-34,031
Profit (Loss) .....	0	-33,343	-33,343
Equity, ending balance .....	17,000	-84,374	-67,374

# Disclosures

## 1. Investments

	<b>2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
Historical cost, beginning of year	3,366,228	3,366,228
<b>Historical cost, end of year</b>	<b>3,366,228</b>	<b>3,366,228</b>

Investments in associated enterprises include:

<b>Name, legal form and homeplace</b>	<b>Equity</b>	<b>Profit/loss</b>	<b>Ownership</b>	<b>Carry value</b>
International Gamble S.R.L., Italy	1,728,443	20,235	28.57%	34,000

Investments in group enterprises include:

<b>Name, legal form and homeplace</b>	<b>Equity</b>	<b>Profit/loss</b>	<b>Ownership</b>	<b>Carry value</b>
Immobiliare America Group S.R.L., Italy	5,668,145	62,405	90.3%	2,528,227
MA.SA. Immobiliare S.R.L., Italy	1,225,570	-7,416	70.54%	804,000
Adest AG, Bulgaria	504,787	69,854	100%	1

## 2. Disclosure of uncertainties relating to going concern

The company's continued operation is subject to future increase in contributions from shareholder. The financial statements are the basis prepared under the assumption of continued operation. The parent company Financial Brothers Limited, Malta, has provided a letter of support to ensure that the company is a going concern.

## 3. Disclosure of contingent liabilities

The company has no contingent liabilities and has not provided any security.