

OPP Arkivet A/S

Roskildevej 12
2620 Albertslund
Denmark

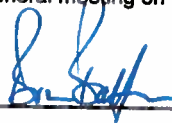
CVR no. 30 61 72 23

Annual report 2017

The annual report was presented and approved at the
Company's annual general meeting on

11 April 2018

Jon Bruce Balfour
chairman



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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of OPP Arkivet A/S for the financial year 1 January – 31 December 2017.

The annual report has been 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 assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen 11 April 2018
Executive Board:




Flemming Morten
Bækkeskov

Board of Directors



Ion Bruce Balfour
Chairman



Eloi Roger Theodore
Daniault



Fabrice Kun-Darbois



Independent auditor's report

To the shareholder of OPP Arkivet A/S

Opinion

We have audited the financial statements of OPP Arkivet A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 assets, liabilities and 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 rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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



Independent auditor's report

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 the Management's review.

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

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

Copenhagen, 11 April 2018

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Martin Eiler
State Authorised
Public Accountant
MNE no 32271

OPP Arkivet A/S
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CVR no. 30 61 72 23

Management's review

Company details

OPP Arkivet A/S
Roskildevej 12
2620 Albertslund
Denmark

CVR no.:	30 61 72 23
Established:	18 June 2007
Registered office:	Albertslund
Financial year:	1 January – 31 December

Board of Directors

Ion Bruce Balfour, Chairman
Eloi Roger Theodore Daniault
Fabrice Kun-Darbois

Executive Board

Flemming Morten Bækkeskov

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfaergevej 28
DK-2100 Copenhagen
Denmark

Annual general meeting

The annual general meeting will be held on 11 April 2018

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Management's review

Operating review

Principal activities

Since 2009, OPP Arkivet A/S (OPA) Has in compliance with the OPP contract with bygningsstyrelsen ("the Danish Building and Property Agency") placed storage facilities at the disposal of Rigsarkivet ("the Danish State Archives") and is responsible for the operation and maintenance of the storage and office facilities at the ground floor of the "DSB-building" until 30 June 2037. The operational and maintenance contract has been outsourced to Kemp & Lauritzen A/S throughout the entire period.

Development in activities and financial matters

The result for the year shows a profit of DKK 3.808 thousand which is in accordance with the expectations for the year. The profit for 2018 is forecast to be at similar level as 2017 in accordance with the long-term budget for the Company.

Significant events after the balance sheet date

No events have occurred after the balance sheet date that may affect the assessment of the Company's financial position at 31 December 2017 or the results for the year.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2017	2016
Net revenue		18,337	17,915
Operating expenses		-14,681	-14,402
Administrative expenses		-886	-886
Gross profit		<u>2,770</u>	<u>2,627</u>
Earnings before financial items		2,770	2,627
Financial income		30,892	31,037
Financial expenses	2	-28,780	-29,146
Profit before tax		<u>4,882</u>	<u>4,518</u>
Tax on profit for the year	3	-1,074	-1,051
Profit for the year	4	<u>3,808</u>	<u>3,467</u>
Retained earnings		<u>3,808</u>	<u>3,467</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
ASSETS			
Non-current assets			
Investments	4		
Finance lease receivable		480,919	483,180
		<u>480,919</u>	<u>483,180</u>
Total non-current assets		<u>480,919</u>	<u>483,180</u>
Current assets			
Receivables			
Other receivables		16	0
		<u>16</u>	<u>0</u>
Cash at bank and in hand		<u>591</u>	<u>1,221</u>
Total current assets		<u>607</u>	<u>1,221</u>
TOTAL ASSETS		<u><u>481,526</u></u>	<u><u>484,401</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	2017	2016
EQUITY AND LIABILITIES			
Equity			
Contributed capital		540	540
Retained earnings		8,465	4,658
Proposed dividend for the financial year		0	1,020
Total equity		9,005	6,218
Provisions			
Provisions for deferred tax		6,698	5,624
Other provisions		255	200
Total provisions		6,953	5,824
Non-current liabilities other than provisions			
Debt to credit institutions	5	402,347	410,761
Subordinated loans from shareholders	5	36,814	37,243
Accrual income		16,645	15,098
Liabilities other than provisions		455,806	463,102
Current liabilities other than provisions			
Short-term portion of non-current liabilities		9,593	9,169
Trade payables		79	0
Other payables		90	88
		9,762	9,257
Total liabilities		465,568	472,359
TOTAL EQUITY AND LIABILITIES		481,526	484,401
Management and staff	6		
Contractual obligations and contingencies, etc.	7		
Related party disclosures	8		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividends</u>	<u>Total</u>
Equity at 1 January 2017	540	4,658	1,020	6,218
Distributed dividends	0	0	-1,020	-1,020
Transferred result	0	3,807	0	3,807
Equity at 31 December 2017	<u>540</u>	<u>8,465</u>	<u>0</u>	<u>9,005</u>

There have been no changes in the share capital during the last 5 years.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of OPP Arkivet A/S for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company and the value of the assets can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Company and the value of the assets can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Net revenue

Net revenue derives from the Company's OPP operational and maintenance contract regarding Rigsarkivet. Net revenue is recognised as the services are performed after deduction of VAT and duties. The Company receives a flat fee (indexed) while operating expenses fluctuates throughout the contract period. In order to ensure a matching revenue recognition, the OPP contract total income is accrued over the term of the contract on the basis of the development of the operating expenses. This ensures a constant operating margin over the contract period.

Operating expenses

Operating expenses comprise expenses incurred in connection with obtaining revenue for the year and comprise significant expenses related to outsourcing of the operational and maintenance responsibility to

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

an external supplier.

Administrative expenses

Administrative expenses include management and administration of the Company, including expenses relating to the administrative staff, Management, premises, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax. The tax is recognised in the income statement by the proportion attributable to the profit for the year and recognised directly on equity by the proportion attributable to entries directly on equity.

Balance sheet

Finance lease receivable

The receivable relates to the building Rigsarkivet rented out on the basis of a finance lease contract. The receivable is recognised at the value of the net investment which corresponds to the total nominal amount of the minimum lease payments after deduction of unearned finance income. A market based interest rate is used as discount rate.

Any difference between cost and the new investment of the asset is recognised as loss/gain under financial income and expenses.

Subsequently, the receivable is measured at amortised cost.

Other receivables

Other receivables are measured at the value at which they are expected to be recognised in the Company. Accordingly, write-down is made for bad debt calculated on the basis of an individual assessment of receivables.

Prepayments and deferred income

Prepayments comprise costs incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

changes in value.

Equity - dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Deferred tax

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carry forwards, are measured at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable values.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Other Provisions

Other provisions are recognised when, as a result of past events, the company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at a net realisable value or fair value if the obligation is expected to be settled in the distant future.

Accrual income

Income is accrued so that the annual operating margin is constant over the contract period.

Liabilities

Financial liabilities comprising amounts owed to credit institutions, subordinated loans from shareholders and trade payables are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, financial liabilities are measured at amortised cost.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Financial statements 1 January – 31 December

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2 Financial expenses

DKK'000	2017	2016
Interest paid to affiliated companies	4,730	4,710
Other financial expenses	24,050	24,436
	<u>28,780</u>	<u>29,146</u>

3 Deferred Tax

Deferred tax at 1 January	5,624	4,573
Deferred tax adjustment for the year	1,074	1,051
Deferred tax at 31 December	<u>6,698</u>	<u>5,624</u>

4 Financial lease receivable

Financial receivable at 1 January	483,180	485,442
Annual repayment	-2,261	-2,261
Financial receivable at 31 December 2017	<u>480,919</u>	<u>483,181</u>

DKK'000	Total at 31 December 2017	Repayment, next year	Long-term portion	Outstanding after 5 years
Receivables due	<u>483,180</u>	<u>2,261</u>	<u>480,919</u>	<u>471,873</u>
Carrying amount at 31 December 2017	<u>483,180</u>	<u>2,261</u>	<u>480,919</u>	<u>471,873</u>

Financial statements 1 January – 31 December

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At the completion of the property on 1 July 2009, the loan receivable is amortised over 28 years with a residual value of 88% of the building's net investment. The repayment schedule has been defined based on the contract with Bygningsstyrelsen and its option to buy the building for a predefined price.

5 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2017	Repayment, first year	Long-term portion	Outstanding debt after five years
Credit institutions	410,761	8,414	402,347	366,305
Subordinated loan	37,994	1,180	36,814	32,827
	<u>448,755</u>	<u>9,594</u>	<u>439,161</u>	<u>399,132</u>

The subordinated loans from shareholders are amortised during the OPP contract period until 2037.

6 Management and staff

The Company has had no employees during 2017. The Company's administration has been outsourced.

7 Contractual obligations and contingencies, etc.

The Company has made an agreement with Bygningsstyrelsen (the Danish Building & Property Agency) according to which the Company has the full economical responsibility for design, construction, maintenance and financing of Rigsarkivet (the Danish State Archive). The agreement runs for 30 years from 1 July 2007, and afterwards Bygningsstyrelsen and the Company respectively have an option to buy/sell the building for a predefined amount.

The building is constructed on leased land and the Company has made a lease agreement with Bygningsstyrelsen for the land with an annual rent of DKK 2 million, subject to an annual increase of 2%.

A VAT adjustment liability of DKK 11 million (2016: DKK 22 million) falls on the building. The liability is triggered if the building is leased to a non-VAT business. The liability applies for 10 years from 1 July 2009 and is annually decreased by 10% corresponding to DKK 12 million (expires on 1 July 2019).

The Company's property (financially presented as a finance lease receivable) with an accounting value of DKK 481 million has been placed as security for the Company's debt to credit institutions, DKK 411 million.

In 2007 the Company entered into a 'back-to-back' agreement with an external subcontractor (Kemp & Lauritzen A/S, "K&L") regarding future operation and maintenance of Rigsarkivet's archives at Kalvebod Brygge 32 ("The Project"). The agreement with subsequent amendments comprises future annual payments (in 2017-prices) of DKK 12 million for the O&M activities and a 'pass-through' annual payment for utilities of DKK 2 million. The O&M payments are annually adjusted with a fixed percentage of 1.65 as well as with an indexation linked to the official 'CPI' (consumer price index, "Nettoprisindekset"). The agreement expires on 30 June 2037. The total payment to K&L for the O&M activities during the PPP contract's entire operation period is calculated to approx. DKK 448 million including indexation.

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8 Related party disclosures

Related party transactions

In accordance with section 98 c(7) of the Danish Financial Statements Act, the Company has not disclosed any related party transactions as they were conducted on an arm's length basis.

Ownership

100% of the shares in the Company were transferred to Aberdeen Infrastructure II (Europe) Limited from Aberdeen Infrastructure II Limited. The transfer was legally concluded on 19 December 2017. Control and ownership of the company is held entirely by Aberdeen Infrastructure II (Europe) Limited, Bow Bells House, 1 Bread Street, London EC4M 9HH, United Kingdom.