

MSN Services ApS
Gyngemose Parkvej 50
2860 Søborg
Business Registration No
30827333

Annual report 2018

The Annual General Meeting adopted the annual report on 17.04.2019

Chairman of the General Meeting

Name: Martin Horst Sørensen

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Entity details

Entity

MSN Services ApS
Gyngemose Parkvej 50
2860 Søborg

Central Business Registration No (CVR): 30827333

Registered in: Gladsaxe

Financial year: 01.01.2018 - 31.12.2018

Executive Board

Martin Horst Sørensen, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of MSN Services ApS for the financial year 01.01.2018 - 31.12.2018.

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

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Søborg, 17.04.2019

Executive Board

Martin Horst Sørensen
Chief Executive Officer

Independent auditor's extended review report

To the shareholder of MSN Services ApS

Conclusion

We have performed an extended review of the financial statements of MSN Services ApS for the financial year 01.01.2018 - 31.12.2018, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2018 and of the results of its operations for the financial year 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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 Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

Independent auditor's extended review report

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our extended review of the financial statements our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with 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 the management commentary.

Copenhagen, 17.04.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Ove Nielsen

State-Authorised Public Accountant

Identification No (MNE) mne16614

Management commentary

Primary activities

The Entity's activities comprise consultancy and financial services, including shareholding in other entities.

Development in activities and finances

The performance for the year is considered unsatisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Other external expenses		(34.007)	(330)
Gross profit/loss		(34.007)	(330)
Staff costs	1	0	(11)
Operating profit/loss		(34.007)	(341)
Income from investments in group enterprises		(216.333)	(28)
Other financial income	2	508.583	338
Other financial expenses	3	(1.266.373)	202
Profit/loss before tax		(1.008.130)	171
Tax on profit/loss for the year	4	153.576	(45)
Profit/loss for the year		(854.554)	126
Proposed distribution of profit/loss			
Ordinary dividend for the financial year		54.000	53
Retained earnings		(908.554)	73
		(854.554)	126

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Investments in group enterprises		76.077	414
Investments in associates		33.333	33
Fixed asset investments	5	<u>109.410</u>	<u>447</u>
Fixed assets		<u>109.410</u>	<u>447</u>
Trade receivables		45.339	0
Receivables from group enterprises		1.224.182	1.241
Deferred tax		153.576	0
Other receivables		23.887	19
Income tax receivable		68.000	73
Receivables		<u>1.514.984</u>	<u>1.333</u>
Other investments		5.793.649	6.905
Other investments		<u>5.793.649</u>	<u>6.905</u>
Cash		<u>467.721</u>	<u>150</u>
Current assets		<u>7.776.354</u>	<u>8.388</u>
Assets		<u>7.885.764</u>	<u>8.835</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK'000</u>
Contributed capital		125.000	125
Retained earnings		6.006.433	6.914
Proposed dividend		54.000	53
Equity		<u>6.185.433</u>	<u>7.092</u>
Provisions for investments in group enterprises		136.077	258
Provisions		<u>136.077</u>	<u>258</u>
Bank loans		1.523.797	1.425
Other payables		40.457	60
Current liabilities other than provisions		<u>1.564.254</u>	<u>1.485</u>
Liabilities other than provisions		<u>1.564.254</u>	<u>1.485</u>
Equity and liabilities		<u>7.885.764</u>	<u>8.835</u>
Contingent liabilities	6		
Assets charged and collateral	7		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	125.000	6.914.987	52.900	7.092.887
Ordinary dividend paid	0	0	(52.900)	(52.900)
Profit/loss for the year	0	(908.554)	54.000	(854.554)
Equity end of year	125.000	6.006.433	54.000	6.185.433

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	2018	2017
	DKK	DKK'000
1. Staff costs		
Pension costs	0	10
Other social security costs	0	1
	0	11
	2018	2017
	DKK	DKK'000
2. Other financial income		
Financial income arising from group enterprises	51.752	61
Other interest income	184.891	277
Fair value adjustments	271.940	0
	508.583	338
	2018	2017
	DKK	DKK'000
3. Other financial expenses		
Other interest expenses	30.324	40
Fair value adjustments	1.210.001	(249)
Other financial expenses	26.048	7
	1.266.373	(202)
	2018	2017
	DKK	DKK'000
4. Tax on profit/loss for the year		
Current tax	0	45
Change in deferred tax	(153.576)	0
	(153.576)	45

Notes

	Invest- ments in group enterprises DKK	Investment s in associates DKK
5. Fixed asset investments		
Cost beginning of year	614.893	33.333
Cost end of year	614.893	33.333
Revaluations beginning of year	(201.659)	0
Revaluations end of year	(201.659)	0
Share of profit/loss for the year	37.736	0
Impairment losses for the year	(374.893)	0
Impairment losses end of year	(337.157)	0
Carrying amount end of year	76.077	33.333

	Registered in	Corpo- rate form	Equity inte- rest %
Investments in group enterprises comprise:			
MSN Trading ApS	Nexø	ApS	100,0
S Ejendomme ApS	Nexø	ApS	100,0
S Ejendomme II ApS	Nexø	ApS	100,0
SORENSEN India Private Limited	India	Ltd.	80,0

	Registered in	Corpo- rate form	Equity inte- rest %
Investments in associates comprise:			
Centreum ApS	Søborg	ApS	33,3

6. Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income

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taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

The Entity has issued letters of support to the subsidiaries S Ejendomme ApS and S Ejendomme II ApS. It appears from these letters of support that the Entity will make the necessary funds available to the subsidiaries, thus enabling them to settle their obligations as they fall due.

7. Assets charged and collateral

Bank loans are secured by a portfolio of securities at a book value of DKK 5,794 thousand.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied to these financial statements are consistent with those applied 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 Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability 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.

Income statement

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Accounting policies

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to reserve for net revaluation according to the equity method under equity.

Investments in associates

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

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset. However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Accounting policies

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Other investments

Other current asset investments comprise listed securities measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other provisions

Other provisions comprise anticipated costs of decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Other financial liabilities

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