

Down south ventures ApS

**Axel Heides Gade 2, 7. tv.
2300 København S**

CVR no. 32 33 08 51

Annual Report 2018

The Annual Report was presented and adopted at the company's annual general meeting on:

31 July 2019

Anibal Jose Gaspar Damiao
Chairman

ANNUAL REPORT 2018

(8. financial year)

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COMPANY INFORMATION

Company

Down south ventures ApS
Axel Heides Gade 2, 7. tv.
2300 København S

CVR no.

32 33 08 51

Financial year

1 January - 31 December

Principal activities

The company's principal activities consist in investments in associates

CEO

Anibal Jose Gaspar Damiao

The company's auditor

Haamann A/S, State Authorized Public Accountant Firm
Filmbyen 20
2650 Hvidovre

MANAGEMENT'S STATEMENTS

the executive board have today presented the annual report for the financial year 1 January - 31 December 2018 for Down south ventures ApS.

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

I consider the accounting policies appropriate for the annual report to provide a true and fair view of the company's assets and liabilities, cash flow statement, financial position and performance.

Moreover, in my opinion, the management's review includes a fair review of the matters described.

The management confirms that the company complies with the requirements for not having external audit of the annual report.

Copenhagen, 31 July 2019

Executive Board:

Anibal Jose Gaspar Damiao

PRACTITIONER'S COMPILATION REPORT

To the Management of Down south ventures ApS

We have compiled the accompanying financial statements of Down south ventures ApS for the financial year 1 January - 31 December 2018 based on information you have provided.

These financial statements comprise a summary of significant accounting policies, income statement, balance sheet and notes.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements under the Danish Act on Approved Auditors and Audit Firms and FSR – danske revisorer's Code of Ethics, including principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Hvidovre, 31 July 2019

HAAMANN A/S
State Authorized Public Accountant Firm
CVR no. 24 25 69 95

Jan Østergaard
State Authorized Public Accountant
mne30203

MANAGEMENT'S REVIEW

The Company's principal activities

The company's principal activities consist in investments in associates

Uncertainty as to recognition and measurement

No material uncertainties have affected the annual report.

Exceptional circumstances

No exceptional circumstances have occurred in the financial year.

Development in activities and financial affairs

The company had a profit of DKK -4.688, which the company's management considers unsatisfactory.

In the coming year the company expects a satisfactory result.

Events occurring after the end of the financial year

No events have occurred after the end of the financial year that would materially affect the company's financial position

INCOME STATEMENT
1 January - 31 December

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> t. DKK
Gross result		<u>-4.688</u>	<u>-4</u>
Profit or loss before tax		-4.688	-4
Tax on profit or loss for the year		<u>0</u>	<u>0</u>
Net profit or loss for the year		<u>-4.688</u>	<u>-4</u>
Proposed distribution of results			
Retained earnings		<u>-4.688</u>	<u>-4</u>
		<u>-4.688</u>	<u>-4</u>

BALANCE 31 December

ASSETS

	<u>Note</u>	<u>2018 DKK</u>	<u>2017 t. DKK</u>
<u>Fixed assets</u>			
Fixed assets			
Long-term investments in associates		<u>1.000</u>	<u>1</u>
Fixed assets, total		<u>1.000</u>	<u>1</u>
Assets		<u>1.000</u>	<u>1</u>

BALANCE 31 December

LIABILITIES AND EQUITY

	<u>Note</u>	<u>2018 DKK</u>	<u>2017 t. DKK</u>
<u>Equity</u>	1		
Share capital		80.000	80
Retained earnings		<u>-110.938</u>	<u>-106</u>
Total equity		<u>-30.938</u>	<u>-26</u>
 <u>Liabilities</u>			
Short-term liabilities other than provisions			
Trade payables		11.563	7
Other payables		<u>20.375</u>	<u>20</u>
		<u>31.938</u>	<u>27</u>
Total liabilities		<u>31.938</u>	<u>27</u>
 Total liabilities and equity		<u>1.000</u>	<u>1</u>
 Contingent liabilities etc.	2		

NOTES

1. Equity

	<u>Share Capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2018	80.000	-106.250	-26.250
Net profit for the year		<u>-4.688</u>	<u>-4.688</u>
Equity 31 December 2018	<u>80.000</u>	<u>-110.938</u>	<u>-30.938</u>

2. Contingent liabilities etc.

The company is part of a joint taxation relation. The company is liable unlimited and jointly with the subsidiary Cargo3 IVS for Danish corporation tax and withholding tax on dividends, interest and royalties within the joint taxation. Any subsequent corrections of the taxable joint taxation income or withholding taxes on dividends, interest and royalties may result in the company's liability amounting to a larger amount.

ACCOUNTING POLICIES

The Annual Report of Down south ventures ApS for 2018 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B with the option of certain provisions for class C.

The accounting policies applied remain unchanged from last year.

General principles for recognition and measurement

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

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 probable that future financial benefits will flow out of the Company, and the value of the liability can be measured reliably

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

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, foreseeable risks and losses arising before the annual report is presented and proving or disproving matters existing on the balance sheet date are taken into consideration.

INCOME STATEMENT

Other external expenses

Other external expenses include expenses concerning distribution, sale, losses on debtors, auto operations, facilities, small purchases, administration, operational leasing costs etc.

Staff expenses

Staff costs include wages and salaries, incl. holiday pay and pensions, as well as other social security costs, etc. of the company's employees. In personnel costs, allowances received from public authorities are deducted.

Tax on net profit/loss for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax. Current and deferred tax regarding changes in equity is recognised directly in equity.

ACCOUNTING POLICIES

BALANCE SHEET

Fixed asset investments

Investments in the subsidiary are measured at cost.

Net revaluation of investments in associated companies and associates during the year is transferred through the profit allocation to the reserve for net revaluation using the equity method to the extent that the carrying amount of the equity exceeds the acquisition value.

Any negative value of shareholdings in affiliated companies and associates is maximized to the company's liabilities, guarantees or liability.

Other securities and equity investments, recognized under fixed assets, include listed bonds and shares that are measured at fair value at the balance sheet date. Listed securities are measured at market price.

Long-term receivables are measured at amortized cost, which usually corresponds to the nominal value. The value is reduced using write-downs to meet expected losses.

Leasehold deposits are recognised in the balance sheet at cost.

Receivables

Receivables are measured at amortised cost, usually corresponding to nominal value. The value is reduced by impairment losses for bad and doubtful debts

Prepayments income

Prepayments income recognised under assets comprise of prepaid costs, for the subsequent financial years.

ACCOUNTING POLICIES

Tax payable and deferred tax

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

Deferred tax is measured under the balance-sheet liability method for temporary differences between the carrying amount and the tax base of assets and liabilities. In those cases, e.g. in respect of shares where the calculation of the tax value can be made according to alternative tax rules, deferred tax is measured on the basis of the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the expected realisable value of the asset, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity. Any net deferred tax assets are measured at net realisable value.

Deferred tax is measured on the basis of the tax regulations and rates that according to the rules in force at the reporting date, will be applicable at the time when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement. For the current year, a tax rate of 22% has been applied.

Liabilities

Debt is measured at amortised cost, usually corresponding to nominal value.

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Anibal Jose Gaspar Damiao

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On behalf of: Haamann A/S Statsautoriserede Revisorer

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