Apleona HSG A/S

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

CVR no. 32 46 67 10

Annual report for 2019

Adopted at the annual general
meeting on 2 October 2020

Kasper Hjort Midtgaard
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 Apleona HSG A/S for the financial year 1 January - 31 December 2019.

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 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019.

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 by the company in general meeting.

Copenhagen, 2 October 2020

Executive board

Mehmet Ümit Acar
Director

Supervisory board

Gert Wolfgang Riegel	Anja Wetzel	Mehmet Ümit Acar

Independent auditor's report

To the shareholder of Apleona HSG A/S

Opinion

We have audited the financial statements of Apleona HSG A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, 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 2019 and of the results of the company's operations for the financial year 1 January - 31 December 2019 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 the 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, 2 October 2020

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Peter Jensen
State Authorised Public Accountant
MNE no. 33246

Company details

The company	Apleona HSG A/S c/o Harbour House Sundkrogsgade 21 DK - 2100 Copenhagen CVR no.: 32 46 67 10 Reporting period: 1 January - 31 December 2019 Domicile: Copenhagen
Supervisory board	Gert Wolfgang Riegel Anja Wetzel Mehmet Ümit Acar
Executive board	Mehmet Ümit Acar
Auditors	EY Godkendt Revisionspartnerselskab c/o Postboks 250, Dirch Passers Allé 36 DK-2000 Frederiksberg
Consolidated financial statements	The company is reflected in the group report of the parent company Apleona Group GmbH The group report can be obtained at the following address: An der Gehespitz 50 D-63263 Neu-Isenburg Germany

Management's review

Business review
The principal activity of the company is to conduct Facility Management and to carry on, directly or indirectly, any other activities which, in the opinion of the supervisory board, are related here to.

Recognition and measurement uncertainties
Unusual matters
Going concern:

Neverthless of several years of losses, the entity will continue to operate. The reason behind this is the current client requirements for FM service providers and the possibility of a wider range of regional coverage. Several global acting clients are currently served in the NORDICS region.

The management has obtained a support letter from the Parent company to provide the necessary funding and liquidity to enable it to meet its liabilities as they become chargeable and to cover the current working capital, including costs occasioned by a decision to set the activities. The support letter remain in force until 31 December 2020. Based on this, management assesses that the preconditions for continued operation are present and on that basis, reports on the financial statements on the assumption of continued operation.

Financial review
The company's income statement for the year ended 31 December 2019 shows a loss of DKK 4.960.886, and the balance sheet at 31 December 2019 shows negative equity of DKK 31.034.691.

The company has still lost more than half of the share capital. The recovery of the capital is expected to take form of either a debt conversion or group contribution. No decision has yet been taken on this at the time of the financial reporting.

Significant events occurring after the end of the financial year
In the first months of 2020, a pandemic of coronavirus disease 2019 (COVID-19) around the world, led to numerous cases and casualties and caused an economic instability. As the date of approval of these annual accounts, it is too early to assess the potential economic and financial impacts of the pandemic. The assessment currently performed is not leading to change or show any impact on these annual statements or disclosures presented here. Besides this and the decision of closing the company´s activities, no events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2019	2018
		DKK	DKK
Gross profit		**1.932.248**	**1.869.356**
Staff costs	1	-6.508.570	-4.411.475
Depreciation, amortisation and impairment of property, plant and equipment		-7.294	-14.592
Profit/loss before net financials		**-4.583.616**	**-2.556.711**
Financial income		343	0
Financial costs	2	-355.445	-240.966
Profit/loss before tax		**-4.938.718**	**-2.797.677**
Tax on profit/loss for the year		-22.168	-13.566
Profit/loss for the year		**-4.960.886**	**-2.811.243**

Distribution of profit

Retained earnings	-4.960.886	-2.811.243
	-4.960.886	**-2.811.243**

Balance sheet 31 December

	Note	2019	2018
		DKK	DKK
Assets			
Other fixtures and fittings, tools and equipment		0	7.294
Tangible assets		**0**	**7.294**
Other receivables		0	115.801
Fixed asset investments		**0**	**115.801**
Total non-current assets		**0**	**123.095**
Trade receivables		888.401	2.124.525
Contract work in progress		34.259	355.482
Other receivables		27.448	0
Prepayments		44.007	67.257
Receivables		**994.115**	**2.547.264**
Cash at bank and in hand		**1.135.871**	**1.046.449**
Total current assets		**2.129.986**	**3.593.713**
Total assets		**2.129.986**	**3.716.808**

Balance sheet 31 December

	Note	2019	2018
		DKK	DKK
Equity and liabilities			
Share capital		500.000	500.000
Retained earnings		-31.534.691	-26.577.913
Equity		**-31.034.691**	**-26.077.913**
Payable to group entities		24.139.420	20.892.527
Total non-current liabilities	3	**24.139.420**	**20.892.527**
Trade payables		525.241	2.062.173
Payables to group entities		5.944.097	4.618.477
Other payables		2.555.919	2.221.544
Total current liabilities		**9.025.257**	**8.902.194**
Total liabilities		**33.164.677**	**29.794.721**
Total equity and liabilities		**2.129.986**	**3.716.808**

Subsequent events	4
Rent and lease liabilities	5
Mortgages and collateral	6

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2019	500.000	-26.577.913	-26.077.913
Exchange adjustments	0	4.108	4.108
Net profit/loss for the year	0	-4.960.886	-4.960.886
Equity at 31 December 2019	**500.000**	**-31.534.691**	**-31.034.691**

Neverthless of several years of losses, the entity will continue to operate. The reason behind this is the current client requirements for FM service providers and the possibility of a wider range of regional coverage. Several global acting clients are currently served in the NORDICS region.

The management has obtained a support letter from the Parent company to provide the necessary funding and liquidity to enable it to meet its liabilities as they become chargeable and to cover the current working capital, including costs occasioned by a decision to set the activities. The support letter remain in force until 31 December 2020. Based on this, management assesses that the preconditions for continued operation are present and on that basis, reports on the financial statements on the assumption of continued operation.

The company has still lost more than half of the share capital. The recovery of the capital is expected to take form of either a debt conversion or group contribution. No decision has yet been taken on this at the time of the financial reporting.

Notes

1 Staff costs

	2019 DKK	2018 DKK
Wages and salaries	5.840.613	3.928.951
Pensions	482.040	360.215
Other social security costs	145.612	51.986
Other staff costs	40.305	70.323
	6.508.570	**4.411.475**
Average number of employees	5	6

2 Financial costs

	2019 DKK	2018 DKK
Financial expenses, group entities	278.514	235.929
Exchange loss	76.931	5.037
	355.445	**240.966**

3 Long term debt

	Debt at 1 January 2019	Debt at 31 December 2019	Instalment next year	Debt outstanding after 5 years
Payable to group entities	20.892.527	24.139.420	0	0
	20.892.527	**24.139.420**	**0**	**0**

4 Subsequent events

In the first months of 2020, a pandemic of coronavirus disease 2019 (COVID-19) around the world, led to numerous cases and casualties and caused an economic instability. As the date of approval of these annual accounts, it is too early to assess the potential economic and financial impacts of the pandemic. The assessment currently performed is not leading to change or show any impact on these annual statements or disclosures presented here. Besides this, and the decision of closing the Company´s activities, no events have occurred after the balance sheet date which could significantly affect the company's financial position.

Notes

	2019	2018
	DKK	DKK
5 Rent and lease liabilities		
Operating lease liabilities. Total future lease payments:		
Rent and lease liabilities	0	144.228
	0	**144.228**

6 Mortgages and collateral

The company has not placed any assets or other as security for loans at 31 December 2019.

Accounting policies

The annual report of Apleona HSG A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2019 is presented in DKK

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 amortisation, depreciation 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 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 installments 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.

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

Accounting policies

Revenue
Income from the sale of facility management service is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Cost of sales
Costs of raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

Other external expenses
Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs
Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities.

Amortisation, depreciation and impairment losses
Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of property, plant and equipment.

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, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans 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, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Tangible assets
Items of other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Accounting policies

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years

Receivables
Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Receivables for which there is no objective evidence of individual impairment are tested for impairment on a portfolio basis. The portfolios are primarily based on debtors' domicile and credit ratings in accordance with the Company's credit risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

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.

Contract work in progress
Contract work in progress is measured at the selling price of the work performed. The selling price is measured by reference to the stage of completion at the balance sheet date and the expected aggregate income from the individual work in progress. The stage of completion is determined as the share of the expenses incurred relative to the expected total expenses for the individual work in progress.

Where the selling price of work in progress cannot be estimated reliably, the selling price is measured at the lower of costs incurred and net realisable value.

Accounting policies

The individual work in progress is recognised in the balance sheet under receivables or payables. Net assets comprise the sum of work in progress where the selling price of the work performed exceeds invoicing on account. Net liabilities comprise the sum of work in progress where invoicing on account exceeds the selling price.

Selling costs and costs incurred in securing contracts are recognised in the income statement as incurred.

Prepayments
Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents
Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

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.

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.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities
Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Financial liabilities also include the capitalised residual finance lease commitment.

Accounting policies

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

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.