

AKTIESELSKABET AF 5.5.2010  
Inge Lehmanns Gade 2  
DK-8000 Aarhus C  
CVR No. 32892337

# ANNUAL REPORT 2017/18

The Annual Report was presented and approved  
at the Annual General Meeting of the Company

Aarhus, 21 November 2018

  
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Chairman

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## Management's Statement

Today, Management has considered and adopted the Annual Report of AKTIESELSKABET AF 5.5.2010 for the financial year 1 August 2017 - 31 July 2018.

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 assets, liabilities and financial position of the Company at 31 July 2018 and of the results of the Company's operations for the financial year 1 August 2017 - 31 July 2018.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Aarhus, 21 November 2018

### Executive Board



Anders Holch Povlsen

### Supervisory Board



Lise Kaas  
Chairman



Anders Holch Povlsen



Anne Storm Holch Povlsen

## Independent Auditor's Report

To the shareholders of AKTIESELSKABET AF 5.5.2010

### Opinion

We have audited the financial statements of AKTIESELSKABET AF 5.5.2010 for the financial year 1 August 2017 - 31 July 2018, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 financial position of the Company at 31 July 2018 and of the results of the Company's operations for the financial year 1 August 2017 - 31 July 2018 in accordance with the Danish Financial Statements Act.

### Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

### 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 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.

### The auditor's responsibility 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 auditors' 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 additional requirements applicable in Denmark will always detect material misstatements 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 the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- \* Identify and assess the risk of material misstatements in 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 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 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

## Independent Auditor's Report

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 note 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

Aarhus, 21 November 2018

**Ernst & Young**  
**Godkendt Revisionspartnerselskab**  
CVR-no. 30700228



Jens Weiersøe Jakobsen  
**State Authorised Public Accountant**  
MNE no.: mne30152

## **Company details**

<b>Company</b>	AKTIESELSKABET AF 5.5.2010 Inge Lehmanns Gade 2 8000 Aarhus C
<b>CVR No.</b>	32892337
<b>Date of formation</b>	5 May 2010
<b>Registered office</b>	Aarhus
<b>Financial year</b>	1 August 2017 - 31 July 2018
<b>Supervisory Board</b>	Lise Kaae , Chairman Anders Holch Povlsen Anne Storm Holch Povlsen
<b>Executive Board</b>	Anders Holch Povlsen
<b>Auditors</b>	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25 8000 Aarhus C CVR-no.: 30700228
<b>Annual General Meeting</b>	The Annual General Meeting is held on the 21 November 2018.

## Management's Review

### **The Company's principal activities**

The Company's principal activities consist in investment and financing.

### **Development in activities and financial matters**

The Company's Income Statement of the financial year 1 August 2017 - 31 July 2018 shows a result of DKK 103.023.105 and the Balance Sheet at 31 July 2018 a balance sheet total of DKK 5.223.235.530 and an equity of DKK 282.794.750.

### **Post financial year events**

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

## Accounting Policies

### Reporting Class

The Annual Report of AKTIESELSKABET AF 5.5.2010 for 2017/18 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

### Consolidated Financial Statements

The Company meets the conditions for not preparing Consolidated Financial Statements which is why these have been omitted.

### Reporting currency

The Annual Report is presented in Danish kroner.

### Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

### Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been 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 economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

## Income Statement

### Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

### Other external expenses

Other external expenses comprise expenses regarding administration.

### Income from equity investments in group enterprises and associates

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortisation of consolidated goodwill.

### Financial income and expenses

Financial income and expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial income and expenses include interest income and expenses, realised and unrealised capital gains and losses regarding securities, debt and foreign currency transactions, dividends received from other equity investments, amortisation of financial assets and liabilities as well as surcharges and allowances under the tax



## Accounting Policies

repayment scheme.

### 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 less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

## Balance Sheet

### Equity investments in group enterprises and associates

Equity investments in group enterprises and associates are measured by the equity method at the proportionately owned share of the equity of the enterprises plus any consolidated goodwill, less intercompany profit and negative goodwill. Enterprises with negative equity are measured at 0 as the negative value corresponding to the proportionate share is offset against receivables, if any. Amounts beyond this are recognised in the provisions item, if there is a legal or actual obligation to cover the negative balance.

### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

### Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

**Income Statement**

	Note	2017/18 DKK	2016/17 DKK
<b>Gross profit</b>		<b>-258.472</b>	<b>-637.119</b>
Income from investments in group enterprises and associates		115.906.819	-63.885.175
Other finance income		9.015.261	53.229.280
Finance expences	1	<u>-25.274.359</u>	<u>-21.352.222</u>
<b>Profit before tax</b>		<b>99.389.249</b>	<b>-32.645.236</b>
Tax for the year	2	<u>3.633.856</u>	<u>-6.872.786</u>
<b>Profit</b>		<b>103.023.105</b>	<b>-39.518.022</b>
<b>Proposed distribution of results</b>			
Retained earnings		<u>103.023.105</u>	<u>-39.518.022</u>
<b>Distribution of profit</b>		<b>103.023.105</b>	<b>-39.518.022</b>

## Balance Sheet as of 31 July

	Note	2018 DKK	2017 DKK
<b>Assets</b>			
Long-term investments in group enterprises		664.955	679.752
Long-term investments in associates		3.135.391.837	3.018.586.349
<b>Investments</b>		<b>3.136.056.792</b>	<b>3.019.266.101</b>
<b>Fixed assets</b>		<b>3.136.056.792</b>	<b>3.019.266.101</b>
Short-term receivables from group enterprises		2.083.493.267	200.000.000
Short-term tax receivables		3.633.865	0
Other short-term receivables		51.606	0
<b>Receivables</b>		<b>2.087.178.738</b>	<b>200.000.000</b>
<b>Cash and cash equivalents</b>		<b>0</b>	<b>617.676</b>
<b>Current assets</b>		<b>2.087.178.738</b>	<b>200.617.676</b>
<b>Assets</b>		<b>5.223.235.530</b>	<b>3.219.883.777</b>

**Balance Sheet as of 31 July**

	Note	2018 DKK	2017 DKK
<b>Liabilities and equity</b>			
Contributed capital		875.000	875.000
Retained earnings		281.919.750	20.111.908
<b>Equity</b>		<b>282.794.750</b>	<b>20.986.908</b>
Debt to banks		4.934.443.000	3.030.177.254
Payables to group enterprises		5.635.686	161.621.905
Tax payables		0	6.872.778
Other payables		362.094	224.932
<b>Short-term liabilities other than provisions</b>		<b>4.940.440.780</b>	<b>3.198.896.869</b>
<b>Liabilities other than provisions within the business</b>		<b>4.940.440.780</b>	<b>3.198.896.869</b>
<b>Liabilities and equity</b>		<b>5.223.235.530</b>	<b>3.219.883.777</b>
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**AKTIESELSKABET AF 5.5.2010**

**Statement of changes in Equity**

	Contributed capital	Retained earnings	Total
Equity 1 August 2017	875.000	20.111.908	20.986.908
Change of investments through net exchange differences	0	12.171.677	12.171.677
Other adjustments of equity	0	146.613.060	146.613.060
Profit	0	103.023.105	103.023.105
<b>Equity 31 July 2018</b>	<b>875.000</b>	<b>281.919.750</b>	<b>282.794.750</b>

The share capital consists of 1,000 shares of a nominal value of DKK 875. No shares carry any special rights.

The share capital has developed as follows:

	2018	2017	2016	2015	2014
Balance at the beginning of the year	875.000	875.000	875.000	559.875.000	559.875.000
Disposal during the year	0	0	0	-559.000.000	0
<b>Balance at the end of the year</b>	<b>875.000</b>	<b>875.000</b>	<b>875.000</b>	<b>875.000</b>	<b>559.875.000</b>

**Notes**

	2017/18	2016/17
<b>1. Finance expenses</b>		
Finance expenses arising from group enterprises	4.846.958	1.420.609
Other finance expenses	20.427.401	19.931.613
	<u>25.274.359</u>	<u>21.352.222</u>
<b>2. Tax on profit for the year</b>		
Current tax for the year	-3.633.865	6.872.778
Tax concerning previous years	9	8
	<u>-3.633.856</u>	<u>6.872.786</u>

**3. Contingent liabilities**

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation. The total amount is stated in the annual report of HEARTLAND A/S, which is the administration company in the joint taxation.

**4. Collaterals and securities**

As collateral for the bank debt of DKK 4.934 million the company has provided security in long-term investments in associates.

**5. Related parties**

Aktieselskabet af 5.5.2010 is included in the consolidated financial statements of:

HEARTLAND A/S  
 Inge Lehmanns Gade 2  
 8000 Aarhus C