

SCHMIEGELOW INVESTERINGSRÅDGIVNING A/S

Strandvejen 60
2900 Hellerup

Annual report
1 January 2018 - 31 December 2018

**The annual report has been presented and
approved on the company's general meeting the**

25/01/2019

Peter Schmigelow
Chairman of general meeting

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Company information

Reporting company SCHMIEGELOW INVESTERINGSRÅDGIVNING A/S
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CVR-nr: 33498586

Reporting period: 01/01/2018 - 31/12/2018

Auditor JVBM Revision ApS Godkendte revisorer
Lyskær 8, st tv
2730 Herlev
CVR-nr: 36972912
P-number: 1020599592

Statement by Management

The Management of the company has today considered and approved the annual report of Schmiegelow Investeringsrådgivning A/S for the financial year 1 January to 31 December 2018.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2018.

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

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

Hellerup, the 16/01/2019

Management

Peter Schmiegelow

Board of directors

Nina Schmiegelow

Maria Schmiegelow

Independent Auditor's Report on Extended Review

To the shareholders of Schmiegelow Investeringsrådgivning A/S

Opinion

We have performed an extended review of the financial statements of Schmiegelow Investeringsrådgivning A/S for the financial year 1 January – 31 December 2018, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR – Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of management 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

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

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 extended review 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 extended review, 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 in the Management's review.

Herlev, 16/01/2019

Bent Madsen , mne784

registered

JVBM Revision ApS Godkendte revisorer

CVR: 36972912

Management's Review

Main activities

The company's main activities are counseling related to investments for clients in Denmark and the UK.

Development in the company's financial activities and economic conditions

The income statement for the period 1 January to 31 December 2018 showed a result of DKK 301,802 against DKK 410,626 for period 1 January 2017 - 31 December 2017. The balance sheet showed equity of DKK 803,249.

The management considers the net profit for the year to be very satisfactory.

Important events occurring after the end of the financial year.

No events materially affecting the financial position of the company have occurred after the end of the financial year.

Accounting Policies

The annual report has been prepared in accordance with the regulation applying to Reporting class B.

The accounting policies applied for this annual report are consistent with those applied last year.

The financial statements are presented in Danish kroner.

Recognition and measurement:

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including depreciation, amortisation and write-downs, are also recognised in the income statement.

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 the Company 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 Company, and the value of the liabilities 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.

Foreign currency translation:

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables, and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Gross profit:

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses', and 'Other operating income' are consolidated into one item designated 'Gross Profit'.

Revenue:

Sales of services are recognized as revenue when the service is delivered. Revenue is recognized after the discount and VAT.

Other external costs:

Other external expenses comprise selling, advertising, local and administration costs as well as costs of premises, bad debts and operating leases.

Staff costs:

Staff cost consist of wages, salaries, and social security costs for the company's employees.

Financial income and expenses:

These items comprise interest income and expenses and realised and unrealised capital gains and losses on transactions in foreign currencies.

Income taxes:

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognized in the income statement by the portion attributable to the profit for year. The current tax rate is 22 % for this year.

Balance sheet:**Receivables:**

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

Prepayments:

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash:

Cash consist of bank deposits and cash at bank.

Dividends:

The proposed dividends for the financial year are disclosed as a separate item in equity.

Current and deferred taxes:

Current tax payable and receivable is recognized in the balance sheet as calculated tax on the taxable income for the year, adjusted for taxes paid on account.

Deferred tax is recognized on all temporary differences between the carrying amount and tax base value of assets and liabilities. Deferred tax assets are not recognized in financial statements.

Deferred tax is recognized on the basis of the tax rules and at tax rates which, according to the legislation in force at the balance sheet date, will be applicable when the deferred tax is expected to crystallize as current tax. The current tax rate for deferred tax is 22 %.

Liabilities:

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

Income statement 1 Jan 2018 - 31 Dec 2018

| | Disclosure | 2018 kr. | 2017 kr. |
|--|------------|------------------|------------------|
| Gross profit (loss) | | 3,292,318 | 3,704,036 |
| Employee expense | 1 | -2,840,518 | -3,172,151 |
| Profit (loss) from ordinary operating activities | | 451,800 | 531,885 |
| Other finance income from group enterprises | | 3,745 | 6,805 |
| Other finance income | | 0 | 122 |
| Other finance expenses | | -53,203 | -10,486 |
| Profit (loss) from ordinary activities before tax | | 402,342 | 528,326 |
| Tax expense | | -100,540 | -117,700 |
| Profit (loss) | | 301,802 | 410,626 |
| Proposed distribution of results | | | |
| Proposed dividend recognised in equity | | 200,000 | 0 |
| Retained earnings | | 101,802 | 410,626 |
| Proposed distribution of profit (loss) | | 301,802 | 410,626 |

Balance sheet 31 December 2018

Assets

| | Disclosure | 2018 kr. | 2017 kr. |
|--|------------|------------------|------------------|
| Trade receivables | | 1,955,770 | 838,480 |
| Receivables from group enterprises | | 0 | 239,534 |
| Other receivables | | 31,117 | 23,198 |
| Deferred income assets | | 21,251 | 20,545 |
| Receivables | | 2,008,138 | 1,121,757 |
| Cash and cash equivalents | | 20,735 | 220,980 |
| Current assets | | 2,028,873 | 1,342,737 |
| Total assets | | 2,028,873 | 1,342,737 |

Balance sheet 31 December 2018

Liabilities and equity

| | Disclosure | 2018 kr. | 2017 kr. |
|---|------------|------------------|------------------|
| Contributed capital | | 500,000 | 80,000 |
| Retained earnings | | 103,249 | 421,447 |
| Proposed dividend | | 200,000 | 0 |
| Total equity | | 803,249 | 501,447 |
| Prepayments received from customers | | 206,798 | 0 |
| Trade payables | | 0 | 29,855 |
| Payables to group enterprises | | 27,306 | 0 |
| Tax payables | | 90,540 | 109,700 |
| Other payables, including tax payables, liabilities other than provisions | | 863,992 | 665,235 |
| Payables to shareholders and management | | 36,988 | 36,500 |
| Short-term liabilities other than provisions, gross | | 1,225,624 | 841,290 |
| Liabilities other than provisions, gross | | 1,225,624 | 841,290 |
| Liabilities and equity, gross | | 2,028,873 | 1,342,737 |

Statement of changes in equity 1 Jan 2018 - 31 Dec 2018

| | Contributed capital | Retained earnings | Proposed dividend recognised in equity | Total |
|---------------------------------|------------------------|----------------------|---|---------|
| | kr. | kr. | kr. | kr. |
| Equity, beginning balance | 80,000 | 421,447 | 0 | 501,447 |
| Increase of capital | 420,000 | -420,000 | 0 | 0 |
| Profit (Loss) | 0 | 101,802 | 200,000 | 301,802 |
| Equity, ending balance | 500,000 | 103,249 | 200,000 | 803,249 |

Disclosures

1. Employee expense

| | 2017 kr. | 2017 kr. |
|-------------------------------|------------------|------------------|
| Wages and salaries | 2.764.835 | 3.048.590 |
| Pensions | 25.176 | 67.706 |
| Social security contributions | 22.039 | 23.913 |
| Other staff cost | 28.468 | 31.942 |
| | <u>2.840.518</u> | <u>3.172.151</u> |

2. Disclosure of contingent liabilities

The Company has assumed lease obligations which at balance sheet date total thousand DKK 50 in the period of non-terminability. The lease agreements are non-terminable for periods of up to 10 months.

The company is joint taxed with the administrations company Schmiegelow Holding ApS . The Company is as a result liable according to the Danish Tax Law for debt, tax on interest, royalties and dividend for the joint taxed companies. Of an amout of total thousand DKK 184.

3. Information on average number of employees

| | 2018 | 2017 |
|-----------------------------------|------|------|
| Average number of employees | 3 | 3 |