Hornskov Vindberg A/S

Vestergade 18 E
1456 København K

CVR no. 34 59 38 33

Annual report 2017

The annual report was presented and approved at the Company's annual general meeting on

15 March 2018

Christian Hornskov
chairman

Contents

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Hornskov Vindberg A/S for the financial year 1 January – 31 December 2017.

The annual report has been 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 assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 15 March 2018
Executive Board:

Christian Hornskov

Board of Directors:

Mustapha Fauzi Yassine
Chairman

Christian Hornskov

Jesper Westi-Henriksen

Ulrich Metz

KPMG

Independent auditor's report

To the shareholders of Hornskov Vindberg A/S

Opinion

We have audited the financial statements of Hornskov Vindberg A/S for the financial year 1 January – 31 December 2017 comprising income statement, balance sheet and notes, including accounting policies. 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 Company's assets, liabilities and financial position at 31 December 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 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 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 audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that 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 responsibilities 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 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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

Independent auditor's report

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.

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.

Copenhagen, 15 March 2018
KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Mark Palmberg

Mark Palmberg
State Authorised
Public Accountant
MNE no. 34319

Company details

Hornskov Vindberg A/S
Vestergade 18 E
1456 København K

CVR no.:	34 59 38 33
Financial year:	1 January – 31 December

Board of Directors

Mustapha Fauzi Yassine, Chairman
Christian Hornskov
Jesper Westi-Henriksen
Ulrich Metz

Executive Board

Christian Hornskov

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Financial statements 1 January – 31 December

Income statement

DKK	Note	2017	2016
Gross profit		9,513,832	7,082,152
Staff costs	3	-5,596,027	-4,543,887
Depreciation, amortisation and impairment		-710,099	-554,339
Operating profit		3,207,706	1,983,926
Financial income		408,318	106,666
Financial expenses		-174,545	-43,625
Profit before tax		3,441,479	2,046,967
Tax on profit/loss for the year	4	-760,855	-456,492
Profit for the year		2,680,624	1,590,475

Proposed profit appropriation

Retained earnings		2,680,624	1,590,475
		2,680,624	1,590,475

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2017	2016
ASSETS			
Fixed assets			
Intangible assets	5		
Completed development projects		7,809,714	5,018,478
		7,809,714	5,018,478
Property, plant and equipment			
Fixtures and fittings, tools and equipment		395,221	189,707
Leasehold improvements		94,430	208,670
		489,651	398,377
Investments			
Receivables (non-current)		0	408,000
Deposits		587,887	516,000
		587,887	924,000
Total fixed assets		8,887,252	6,340,855
Current assets			
Receivables			
Trade receivables		3,414,553	2,095,615
Receivables from group entities		1,119,535	1,790,422
Receivables from associates		1,558,558	10,000
Other receivables		782,408	613,467
Receivables from shareholders and Management		367,000	0
Prepayments		89,000	0
		7,331,054	4,509,504
Cash at bank and in hand		2,122,546	1,705,162
Total current assets		9,453,600	6,214,666
TOTAL ASSETS		18,340,852	12,555,521

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	2017	2016
EQUITY AND LIABILITIES			
Equity	6		
Contributed capital		500,000	500,000
Reserve for development costs		3,750,162	1,423,186
Retained earnings		5,058,168	4,704,521
Total equity		9,308,330	6,627,707
Provisions			
Provisions for deferred tax		1,514,226	847,232
Total provisions		1,514,226	847,232
Liabilities other than provisions			
Current liabilities other than provisions			
Prepayments received from customers		2,106,294	3,759,624
Trade payables		1,501,650	524,618
Payables to group entities		33,000	0
Payables to associates		2,522,555	0
Corporation tax		172,958	79,097
Other payables		1,172,081	707,285
Payables to shareholders and Management		9,758	9,958
		7,518,296	5,080,582
Total liabilities other than provisions		7,518,296	5,080,582
TOTAL EQUITY AND LIABILITIES		18,340,852	12,555,521

Main activities	2
Contractual obligations, contingencies, etc.	7

Financial statements 1 January – 31 December

Notes

1 **Accounting policies**

The annual report of Hornskov Vindberg A/S for 2017 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The Company has in the financial statements for 2017 performed minor reclassifications.

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Income from sale of services, debt collection, etc., is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

Cost of sales

Item also comprises direct costs for goods for resale and changes to inventory of goods for resale.

Staff costs

Staff costs comprise wages and salaries, including holiday allowance, pension and other social security costs, etc., to the Company's employees, excluding reimbursements from public authorities.

Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

scheme, etc.

Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Intangible assets

Development projects

Development costs comprise costs, wages, salaries and amortisation directly and indirectly attributable to development activities.

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

Fixtures and fittings, tools and equipment	2-5 years
Leasehold improvements	5 years

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Fixed assets under construction are recognised and measured at cost at the balance sheet date. Upon entry into service, the cost is transferred to the relevant group of property, plant and equipment.

Depreciation is recognised in the income statement as production costs, distribution costs and administrative expenses, respectively.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Securities and equity investments

Other securities and equity investments included in investment comprise unlisted shares that Management considers investment securities. The equity investments are measured at cost.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment as well as equity investments in group entities and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Receivables with no objective indication of individual impairment are assessed for objective indication of impairment on a portfolio basis. The portfolios are primarily based on the debtors' registered offices and credit rating in accordance with the Company's credit risk management policy. The objective indicators used in relation to portfolios are determined on the basis of historical loss experience.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Corporation tax and deferred tax

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date 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 or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

Prepayments and deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

2 Main activities

Similar to prior year, the Company's main activities consist of legal assistance within debt collection and reminder service and other related service.

3 Staff costs

DKK	2017	2016
Wages and salaries	5,429,262	4,398,349
Pensions	2,775	26,348
Other social security costs	163,990	110,190
	5,596,027	4,534,887
Average number of full-time employees	19	17

Financial statements 1 January – 31 December

Notes

4 Tax on profit/loss for the year

DKK	2017	2016
Current tax for the year	93,861	68,068
Adjustment of deferred tax for the year	666,994	388,424
	760,855	456,492
	760,855	456,492

5 Intangible assets

DKK	Completed development projects	Total
Cost at 1 January 2017	5,665,927	5,665,927
Additions on acquisition of subsidiary	3,236,349	3,236,349
Cost at 31 December 2017	8,902,276	8,902,276
Amortisation and impairment losses at 1 January 2017	-647,448	-647,448
Amortisation	-445,114	-445,114
Amortisation and impairment losses at 31 December 2017	-1,092,562	-1,092,562
Carrying amount at 31 December 2017	7,809,714	7,809,714

6 Equity

The contributed capital consists of:

A shares, 100,000 shares of nom. DKK 1 each

B shares, 400,000 shares of nom. DKK 1 each

A shares, has preference of dividend up to DKK 20 million before B shares.

7 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with the parent company and its Danish affiliated companies. Together with the jointly taxed companies, the Company has unlimited joint and several liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties under the joint taxation scheme. Any subsequent corrections of the taxable jointly taxed income or withholding taxes, etc., may entail an increase in the Company's liability.

Operating lease obligations

Remaining operating lease obligations at the balance sheet date fall due at DKK 2,111 thousand within 5 years (2016: DKK 2,633 thousand).