

Hurricane Ventures ApS

CVR 35 24 77 50

c/o Advokat Per Dalskov
Esplanaden 7,3
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Annual Report 2015/16

Erhvervsstyrelsen

The Annual Report has been approved at the annual
shareholders meeting
Copenhagen, March 10th 2017

Per Dalskov

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Statement by the Board of Executive

Today the Board of Executives have discussed and approved the Annual Report of Hurricane Ventures ApS for the financial year October 1st 2015– September 30st 2016.

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 financial position at September 30st 2016 and of the result of the Company's operations for the financial year October 1st 2015 – September 31st 2016.

The Managements Review contains, in our opinion, a fair statement about the conditions the review contains.

We recommend approval of the annual report at the annual general meeting.

Copenhagen, March 10th 2017

Executive Board:

Anders Bruhn

Independent auditors' report

To the shareholders of Hurricane Ventures ApS

Opinion

We have audited the Financial Statement of Hurricane Ventures ApS for the financial year October 1st 2015 - September 30th 2016, which comprise income statement, balance sheet, statement of changes in equity and notes. The Financial Statement are prepared under the Danish Financial Statements Act.

In our opinion, the Financial Statement give a true and fair view of the financial position and of the results at September 30th 2016 in accordance with the Danish Financial Statements Act

Information of specific conditions in the financial report

Without qualifying our opinion we draw attention to the fact that the company has filed the Annual Report too late. The omission is in contravention of the Danish Companies Act and may impose liability on management.

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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statement

Management is responsible for the preparation of the 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 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 to do so.

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 the Financial Statements.

As a part of an audit conducted in accordance with ISAs and the additional requirements

applicable in Denmark, we exercise professional judgement 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 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 appropriated in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting in preparing the Financial Statement 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 Statement 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 Statement, including the disclosures, and whether the Financial Statement represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Company to express an opinion on the Financial Statement. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 the Management's Review

Management is responsible for Management's Review

Our opinion on the Financial Statement 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 Statement, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statement 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 Statement and has been prepared in accordance with the

requirements of the Danish Financial Statements Acts. We did not identify any material misstatement of Management's Review.

Kongens Lyngby, March 10th 2017

Kristian Pryds
State Authorized Public Accountant

P R Y D S

Statsautoriseret revisionsfirma

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DK-2800 Kongens Lyngby

Cvr 21598402

Management's review

Principal activities

The primary objective is trade, production, development and design as well as possession of shares in other companies.

Development and transformation

The company began as a Nicaraguan furniture development project with a focus on carpentry and production of high-quality, Danish furniture design. Furthermore, capacity-development and an overall consideration for the entire value chain from forestry to the final product was an essential part. The project was initiated through collaborations with local communities, which had suffered from one of the most destructive tropical storms in recent history (Hurricane *Felix*). The objective was to help the communities make use of hurricane-felled wood and create designer products with high value add. The project was dubbed “*From disaster to design*”.

Sound and sustainable development and business models were established and translated into feasible business activities. First the original forest projects and carpentry workshops in Central America, which produced high-quality Scandinavian furniture, wooden accessories and art ware sold on international markets. The business then progressed into development projects, not only within sustainable design, but also energy, housing and land management.

Hurricane Design International LLC (HDI) was originally a Danish company established with the specific purpose of promoting and running sustainable development projects in the Latin American forest and timber industry. The company will however henceforth be known as Hurricane Ventures in order to accommodate the new and broader range of activities.

Hurricane Design was recognized and promoted by Danida as one of the most successful, sustainable development projects in the private sector by creating direct and indirect employment as well as environmental management, overall income increase and knowledge/technology spill-overs. The company was highlighted in Danida’s assessment of its 30-year development effort in Central America (“Una Vida de Amistad – 30 años de cooperación Danesa en Nicaragua”) as one of the two most successful companies within business-to-business development projects. After many years of accumulated experience with design-driven production of sustainable furniture in Nicaragua, in 2013 the company expanded its activities from Central America to include South America as well.

On the backdrop of the success, HDI has become a facilitator for many new initiatives, organisations and businesses involved in developing sustainable solutions and collaborations between Denmark and emerging markets through the transfer of knowledge, technology and capital investments.

Concept

The new name ‘Hurricane Ventures’ (HV) reflects a new sustainable development and business model with a broader scope, capacity and vision. Its concept has been underway the recent years as a result of an organic growth, but it was only by 2015 that the expansion of sustainable business and activities were to be defined and executed.

Expansion of portfolio

The expansion of our portfolio had made it necessary to define and formalize the ideas of a consortium that is based on the core values of Hurricane Design but also encapsulates a

broader spectrum of sustainability. The work on defining a new 'Hurricane' has occurred in the midst of developing new business activities.

4 new departments

The diversified portfolio is now represented in four established sustainability departments: housing, energy, land management and value networks. The vision was to make the foundation for a consortium based on sustainable business models that confront key emerging global sustainability challenges. Each sustainability department represents major challenges on the path to sustainable development and great opportunities for impact investments. HV is now a facilitator of many new initiatives, organizations and businesses involved in developing sustainable solutions and collaborations between Denmark and Latin America.

Future expectations

Across the world people are aspiring for green and innovative solutions that can bring societies onto a sustainable path as we become more aware of the challenges that arise with climate change, overconsumption and exhaustion of natural resources. Many of these challenges are summarized in the recent UN Sustainable Development Goals – a responsibility and ambition that HV will share and partake in. The growing demand for innovative solutions is becoming one of the most economically attractive investment markets; a demand HV aims to facilitate. As the world society is transitioning towards the age of sustainability, HV expects that the pioneering innovations and technologies of Nordic research and businesses are becoming more important than ever before. In this regard, HV expects to become one of the main investment facilitators of Scandinavian solutions in several emerging economies and expand its activities in 2017 – Both in terms of new ventures and partnerships, but also in terms of a geographically expansion into new markets.

Events after the Reporting Period

No significant events, has occurred, since the end of fiscal year which could affect the financial situation of the company.

Financial statements October 1st - September 31st

Accounting policies

The annual report has been prepared in accordance with the provisions applying to reporting class B-enterprises under the Danish Financial Statements Act. The accounting policies used are consistent with those of last year.

Recognition and measurement

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 reliably measured.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

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

In recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities measured at fair value or amortised cost. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognised in the income statement.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates 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.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose is recognised in the income statement as financial income or financial expenses.

Income statement

Gross profit

Revenue, cost of sales and external charges are aggregated into one item called gross profit which is in accordance with section 32 of the Danish Financial Statements Act.

The aggregation is made as the management is of the opinion that information on revenue and thereby gross margin will be detrimental to the company. Revenue from the sale of services is recognised in the income statement provided that transfer of risk to the buyer has taken place before year end. Revenue is measured ex. VAT, and taxes and less discounts granted in connection with the sale.

Cost of sales comprises costs incurred to generate revenue for the year. Other external charges comprise distribution costs, sale, advertisements, administration, premises, bad debt losses, etc.

Staff costs

Staff costs comprise wages and salaries, pensions, etc. for the company's employees, including Executive Board remuneration. Staff costs also comprise expenses attributable to the company's own development activities and are therefore recognised in the income statement as incurred.

Financial income and expenses

Financial income and expenses comprise interest income and expense, payables and transactions denominated in foreign currencies.

Tax on profit/loss for the year

Tax for the year comprises current tax and changes in deferred tax for the year. 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.

The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Balance sheet

Receivables includes trade receivables and other receivables are measured at amortised cost. Write-down is made for bad debt losses.

Equity - dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Corporation tax and deferred tax

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 base of assets and liabilities. Where alternative tax rules, e.g. regarding shares, can be applied to determine the tax base, deferred tax is measured based on the Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised at the expected value of their utilisation; 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 tax assets are measured at net realisable value.

Deferred tax is measured according to 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. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Liabilities other than provisions

Liabilities are measured at net realisable value.

Profit and Loss statement

	Note	2015/16	2014/15
Revenue		2.935.044	3.311.364
Gross profit/loss	1	33.555	67.804
Operating profit/loss		33.555	67.804
Financial expenses		-15.727	-18.379
Profit/loss from ordinary activities before tax		17.828	49.425
Tax on profit/loss from ordinary activities		-4.070	-11.609
Profit/loss for the year		13.758	37.816

Proposed distribution of loss

Proposed Dividend	0	0
Retained Earnings	13.758	37.816
	13.758	37.816

Balance sheet as per September 30th

	Note	2016	2015
ASSETS			
Other receivables		131.041	366.932
Cash at bank and in hand		63.864	10.084
Current Assets		194.905	377.016
TOTAL ASSETS		194.905	377.016
EQUITY AND LIABILITIES			
Share Capital		80.000	80.000
Retained Earnings		58.694	44.936
Proposed Dividend		0	0
Equity	2	138.694	124.936
Debt financial institutions		0	219.418
Corporate tax		4.070	13.912
Other liabilities		52.141	18.750
Short Termed Liabilities		56.211	252.080
TOTAL EQUITY AND LIABILITIES		194.905	377.016
Contingencies and Contractual obligations	3		

Notes

1 Staff expenses

No salaries has been paid during the year

2 Equity

	Balance at 01/10/2015	Dividend	Distribution of profit/loss	Balance at 30/09/2016
Share Capital	80.000	0	0	80.000
Retained Earnings	44.936	0	13.758	58.694
Proposed Dividend	0	0	0	0
	<u>124.936</u>	<u>0</u>	<u>13.758</u>	<u>138.694</u>

3 Contingencies and Contractual obligations

The company has no contingencies etc.