

## **Apollovej Holding ApS**

**c/o Cobblestone A/S, Gammel Køge Landevej  
57, 3., Valby**

**CVR no. 35 85 11 51**

### **Annual report for 2018**

Adopted at the annual general meeting  
on 25 June 2019



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**Mette Kapsch**  
chairman

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## Statement by management on the annual report

The executive board has today discussed and approved the annual report of Apollovej Holding ApS for the financial year 1 January - 31 December 2018.

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 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

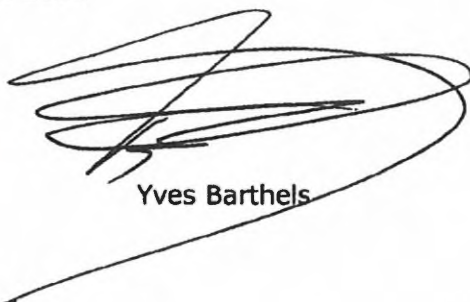
Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 25 June 2019

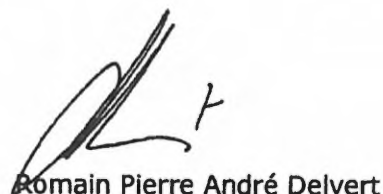
**Management**



Mette Kapsch



Yves Barthels



Romain Pierre André Delvert

## **Independent auditor's report**

### ***To the shareholder of Apollovej Holding ApS***

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the company 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.

We have audited the financial statements of Apollovej Holding ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

#### **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.

#### **Material uncertainty related to going concern**

We draw attention to Note 1 in the financial statements, where management has reported, that the subsidiary company Apollovej ApS has breached a number of financial Covenants of Framework Agreement signed with Nordea AB. As stated in Note 1, this breach, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### **Emphasis of matter**

We draw attention to Note 1 in the financial statements, which describes the material uncertainty related to the valuation of the investments in subsidiaries. Our opinion is not modified in respect of this matter.

#### **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.



## **Independent auditor's report**

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.

### **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 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 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:

## Independent auditor's report


- 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.

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, 25 June 2019

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR no. 33 77 12 31

  
Jesper Wiinholt  
State Authorised Public Accountant  
MNE no. mne13914

  
Martin Enderberg Lassen  
State Authorised Public Accountant  
MNE no. mne40044

## Company details

### The company

Apollovej Holding ApS  
c/o Cobblestone A/S  
Gammel Køge Landevej 57, 3.  
Valby

CVR no.: 35 85 11 51

Reporting period: 1 January - 31 December 2018

Domicile: Copenhagen

### Management

Mette Kapsch  
Yves Barthels  
Romain Pierre André Delvert

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup



## **Management's review**

### **Business activities**

The principal activity for the company is to hold shares in subsidiaries.

### **Material uncertainty on going concern and valuation of investments in subsidiaries**

Reference is made to note 1, where the material uncertainties regarding going concern and the valuation of the investments in subsidiaries are described.

### **Unusual matters**

The company's financial position at 31 December 2018 and the results of its operations for the financial year ended 31 December 2018 are not affected by any unusual matters.

### **Business review**

The company's income statement for the year ended 31 December shows a loss of DKK 124.810.354, and the balance sheet at 31 December 2018 shows equity of DKK 225.909.084.

### **Significant events occurring after end of reporting period**

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	2018	2017
Other external expenses		-133.104	-75.097
<b>Gross profit</b>		<b>-133.104</b>	<b>-75.097</b>
Value adjustment subsidiaries		-124.676.978	0
Financial income		6	26
Financial expenses		-278	-2.393
<b>Profit/loss before tax</b>		<b>-124.810.354</b>	<b>-77.464</b>
Tax on profit/loss for the year	3	0	0
<b>Profit/loss for the year</b>		<b>-124.810.354</b>	<b>-77.464</b>
<b>Distribution of profit</b>			
Retained earnings		-124.810.354	-77.464
		<b>-124.810.354</b>	<b>-77.464</b>

## Balance sheet 31 December

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
<b>Assets</b>			
Investments in subsidiaries	4	226.185.728	340.862.706
<b>Fixed asset investments</b>		<b><u>226.185.728</u></b>	<b><u>340.862.706</u></b>
<b>Total non-current assets</b>		<b><u>226.185.728</u></b>	<b><u>340.862.706</u></b>
<b>Cash at bank and in hand</b>		<b><u>4.398</u></b>	<b><u>33.473</u></b>
<b>Total current assets</b>		<b><u>4.398</u></b>	<b><u>33.473</u></b>
<b>Total assets</b>		<b><u><u>226.190.126</u></u></b>	<b><u><u>340.896.179</u></u></b>

## Balance sheet 31 December

	Note	2018 DKK	2017 DKK
<b>Equity and liabilities</b>			
Share capital		70.191.421	68.191.421
Retained earnings		<u>155.717.663</u>	<u>272.528.016</u>
<b>Equity</b>	<b>5</b>	<b><u>225.909.084</u></b>	<b><u>340.719.437</u></b>
Trade payables		15.000	65.961
Payables to group companies		<u>266.042</u>	<u>110.781</u>
<b>Total current liabilities</b>		<b><u>281.042</u></b>	<b><u>176.742</u></b>
<b>Total liabilities</b>		<b><u>281.042</u></b>	<b><u>176.742</u></b>
<b>Total equity and liabilities</b>		<b><u>226.190.126</u></b>	<b><u>340.896.179</u></b>
Going concern and impairment test in subsidiaries	1		
Contingencies, etc.	6		

**Statement of changes in  
equity**

	<u>Share capital</u>	<u>Retained ear- nings</u>	<u>Total</u>
Equity at 1 January 2018	68.191.421	272.528.016	340.719.437
Cash capital increase	2.000.000	8.000.000	10.000.000
Net profit/loss for the year	0	-124.810.354	-124.810.354
<b>Equity at 31 December 2018</b>	<b><u>70.191.421</u></b>	<b><u>155.717.663</u></b>	<b><u>225.909.084</u></b>



## Notes

### 1 Going concern and impairment test in subsidiaries

#### Going concern

The only activity in the company is investement in the subsidiary Apollovej ApS.

During the financial year ended 31 December 2018 Apollovej ApS experienced losses of DKK 42.211.459 (2017: loss DKK 48.154.004). Apollovej ApS has breached a number of Financial Covenants of the Framework Agreement signed with Nordea Bank AB, which indicates a material uncertainty on the Company's ability to continue as a going concern. Management is currently in active discussions with the lender to cure this breach and to approve the revised business plan. As part of the Framework agreement with the lenders, the shareholders / EPISO 3 LP have provided Guarantees in the amount of DKK150m, the use of which forms part of the cure and the revised Business Plan proposal. Any funds injected through calls on these guarantees would be in the form of shareholder equity.

It is likely that these discussions will not be completed for some time, however once the lender has approved the cure, it would allow the entity to meet its financial obligations as they fall due and as such, the financial statements have been prepared on a going concern basis.

#### Impairment test of investment in subsidiaries

The negative development in Apollovej ApS' activities is an indication of an impairment of the company's investment in subsidiaries. The company has therefore carried out an impairment test to assess the fair value of the investment in subsidiaries.

The impairment test is based on a number of different assumptions about the future development of the activities in the subsidiary company Apollovej ApS. Such assumptions are always associated with uncertainty.

Apollovej ApS' investment properties were completed in December 2017 and 2018 is therefore the first year the investment property is in operation, so there is material uncertainty about the assumptions of the future activity in Apollovej ApS. Even minor deviations in the assumptions can lead to major changes in the calculated fair value

The most significant assumptions in the impairment test is the management's assessment of the expected normalized operating profit in Apollovej ApS. Management believes that the company's business plan will realize the expected normalized operating profit.

If the company's business plan, does not affect the operating profit with the growth estimated by the management, or if other assumptions that have been the basis for the impairment test change, this will lead to further write-downs, as the estimated operating profit will not occur.

## Notes

	<u>2018</u>	<u>2017</u>
<b>2 Staff costs</b>		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2018</u>	<u>2017</u>
	DKK	DKK
<b>3 Tax on profit/loss for the year</b>		
Current tax for the year	<u><b>0</b></u>	<u><b>0</b></u>
<b>4 Investments in subsidiaries</b>		
Cost at 1 January 2018	340.862.706	300.862.706
Additions for the year	<u>10.000.000</u>	<u>40.000.000</u>
Cost at 31 December 2018	<u>350.862.706</u>	<u>340.862.706</u>
Revaluations at 1 January 2018	0	0
Revaluations for the year, net	<u>-124.676.978</u>	<u>0</u>
Revaluations at 31 December 2018	<u>-124.676.978</u>	<u>0</u>
<b>Carrying amount at 31 December 2018</b>	<u><b>226.185.728</b></u>	<u><b>340.862.706</b></u>

Investments in subsidiaries are specified as follows:

<u>Name</u>	<u>Registered office</u>	<u>Ownership interest</u>	<u>Equity</u>	<u>Profit/loss for the year</u>
Apollovej ApS	Valby, Denmark	100%	226.185.728	-42.211.459

## Notes

### 5 Equity

The share capital consists of:

A-1 shares of DKK -	63.046.185
A-2 shares of DKK -	63.046
A-3 shares of DKK -	63.046
B-1 shares of DKK -	7.005.131
B-2 shares of DKK -	7.006
B-3 shares of DKK -	7.006
C-1 share of DKK -	1
	<u>70.191.421</u>

### 6 Contingencies, etc.

#### Other contingent liabilities

The Danish Group jointly taxed companies are jointly and severally liable for tax on the Group's overall corporate and withholding taxes etc.



## Accounting policies

The annual report of Apollovej Holding ApS for 2018 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 rules applying to reporting class C.

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

The annual report for 2018 is presented in DKK

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

### **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 instalments 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**

#### **Other external expenses**

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



## Accounting policies

### 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

### Investments in subsidiaries

Investment in subsidiaries are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value. The investment is reduced with declared dividend that exceeds retained earnings during the period of ownership. The investment is reduced with declared dividend that exceeds retained earnings during the period of ownership.

### Receivables

Receivables are measured at amortised cost. If the cost exceeds the recoverable amount, write-down is provided to the lower value.

### 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.

### Liabilities

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.