

# NorthCapital ApS

Nyhavn 53 C

1051 Copenhagen K

CVR No. 36475234

## Annual Report 2015

2. financial year

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 31 May 2016

---

Wemer Maria Anton Schmidt  
Chairman

## Contents

Management's Statement	3
Company Information	4
Management's Review	5
Accounting Policies	6
Income Statement	9
Balance Sheet	10
Notes	12

## Management's Statement

Today, Management has considered and adopted the Annual Report of NorthCapital ApS for the financial year 1 January 2015 - 31 December 2015.

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 December 2015 and of the results of the Company's operations for the financial year 1 January 2015 - 31 December 2015.

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

Management declares that the conditions for deselection of the audit are met.

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

Copenhagen, 31 May 2016

### Executive Board

Werner Maria Anton Schmidt  
CEO

Kim Hersland  
CFO

### Supervisory Board

Christian Frederik Harboe Wissum  
Chairman

Werner Maria Anton Schmidt  
director

Kim Hersland  
director

## Company details

<b>Company</b>	NorthCapital ApS Nyhavn 53 C 1051 Copenhagen K
CVR No.	36475234
Date of formation	18 December 2014
Registered office	København
Financial year	1 January 2015 - 31 December 2015
<b>Supervisory Board</b>	Christian Frederik Harboe Wissum, Chairman Werner Maria Anton Schmidt, director Kim Hersland, director
<b>Executive Board</b>	Werner Maria Anton Schmidt, CEO Kim Hersland, CFO

## Management's Review

### The company's principal activities

Welcome to our 2015 Annual Report outlining the operational performance and financial results of NorthCapital ApS, - a diversified North-European Investment Company established in December 2014.

The financial year 2015 is the first full financial year of the Company. The Company serves as holding company for present and future activities of the NorthCapital Group.

In 2015 the Company has started a consolidation process in which a number of activities and existing assets have been transferred to NorthCapital ApS with a view to creating a significant and financially strong entity as the foundation for the NorthCapital Group.

The main activities will be organized and conducted through group entities, most of which will be 100% owned, each representing a specialized line of business.

NorthCapital Group will focus on:

- Oil Trading
- Diamonds & Precious Stones
- Engineering
- Corporate Finance
- Fine Arts
- M&A and Investment Activities

Only part of the activities will take place in Denmark as the main focus will be on the groups international activities both within Europe and outside Europe.

### Development in Activities and Financial Matters

In the course of 2015 substantial investments have been made in precious stones & raw and cut diamonds. NorthCapital ranges among Europe's largest investors in this field. The Company will continue to focus on this activity.

The company's income statement for the year ended 31 December 2015 shows a loss of Euro 138.466 and the balance sheet at 31 December 2015 shows equity of Euro 349.861.534.

### Post Balance Sheet Events

No events have occurred after the balance sheet date which has significantly affected the company's financial position.

## Accounting Policies

### Reporting Class

The Annual Report of NorthCapital ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from last year.

### Reporting currency

The Annual Report is presented in Danish kroner.

## General Information

### 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

### Revenue

Income from the sale of goods is recognised in the Income Statement from the date of delivery and when the risk has passed to the buyer if it is possible to calculate the income reliably. The revenue is calculated exclusive of VAT, charges and discounts.

### Other operating income and expenses

Other operating income and expenses comprise items of a secondary nature to the principal activity of the Company.

### Other external expenses

Other external expenses comprise expenses regarding sale and administration.

## Accounting Policies

### Amortisation and impairment of tangible and intangible assets

Amortisation and impairment of intangible and tangible assets has been performed based on a continuing assessment of the useful life of the assets in the Company. Non-current assets are amortised on a straight line basis, based on cost, on the basis of the following assessment of useful life and residual values:

	Useful life	Residual value
Completed development projects	5 years	0%
Concessions, patents, licens, trademarks and other similar rights	10 years	0%
Goodwill	5 years	0%
Properties	20-50 years	0%
Plant and machinery	5-10 years	0%
Other fixtures and fittings, tools and equipment	3-10 years	0%
Leasehold improvements	5 years	0%

Land is not amortised.

Profit or loss resulting from the sale of intangible or tangible assets is determined as the difference between the selling price less selling costs and the carrying amount at the date of sale, and is recognised in the Income Statement under other operating income or expenses.

### 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 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.

## Balance Sheet

### Tangible assets

Tangible assets are measured at cost plus revaluations, if any, and less accumulated amortisation and impairment losses. Cost comprises the purchase price and costs directly attributable to the purchase until the date when the asset is available for use.

### 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.

### Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

### 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.

## Accounting Policies

### Financial liabilities

Fixed-rate loans such as mortgage loans and loans from credit institutions are recognised initially at the proceeds received less transaction expenses incurred. In subsequent periods, loans are measured at amortised cost so that the difference between the proceeds and the nominal value is recognised in the Income Statement as an interest expense over the term of the loan.

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

### 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**

	<b>Note</b>	<b>2015 EUR</b>	<b>2014 EUR</b>
Other external expenses		-134.300	0
<b>Gross result</b>		<b>-134.300</b>	<b>0</b>
<b>Profit from ordinary operating activities</b>		<b>-134.300</b>	<b>0</b>
Finance expences	1	-4.166	0
<b>Profit from ordinary activities before tax</b>		<b>-138.466</b>	<b>0</b>
<b>Profit</b>		<b>-138.466</b>	<b>0</b>
<b>Proposed distribution of results</b>			
		138.466	0
		<b>138.466</b>	<b>0</b>

## Balance Sheet as of 31. December

	Note	2015 EUR	2014 EUR
<b>Assets</b>			
Other investment assets		500.000.000	0
<b>Property, plant and equipment</b>		<b>500.000.000</b>	<b>0</b>
Long-term investments in group enterprises	2, 3	75.000	0
<b>Investments</b>		<b>75.000</b>	<b>0</b>
<b>Fixed assets</b>		<b>500.075.000</b>	<b>0</b>
Other short-term receivables		6.750	6.750
<b>Receivables</b>		<b>6.750</b>	<b>6.750</b>
<b>Current assets</b>		<b>6.750</b>	<b>6.750</b>
<b>Assets</b>		<b>500.081.750</b>	<b>6.750</b>

## Balance Sheet as of 31. December

	Note	2015 EUR	2014 EUR
<b>Liabilities and equity</b>			
Contributed capital		100.000.000	6.750
Share premium		250.000.000	0
Retained earnings		-138.466	0
<b>Equity</b>	4	<b>349.861.534</b>	<b>6.750</b>
Other payables		209.300	0
Payables to shareholders and management		150.010.916	0
<b>Short-term liabilities other than provisions</b>		<b>150.220.216</b>	<b>0</b>
<b>Liabilities other than provisions within the business</b>		<b>150.220.216</b>	<b>0</b>
<b>Liabilities and equity</b>		<b>500.081.750</b>	<b>6.750</b>
Contingent liabilities	5		
Collaterals and assets pledged as security	6		

## Notes

	2015	2014
<b>1. Finance expenses</b>		
Other finance expenses	4.166	0
	<b>4.166</b>	<b>0</b>
<b>2. Long-term investments in group enterprises</b>		
Addition during the year, incl. improvements	75.000	0
Cost at the end of the year	<b>75.000</b>	<b>0</b>
<b>Carrying amount at the end of the year</b>	<b>75.000</b>	<b>0</b>

**3. Disclosure in long-term investments in group enterprises and associates***Group enterprises*

Name	Registered office	Share held in %
Northcapital Trading ApS	Copenhagen	100,00
Terra Fides AG	Berlin, Germany	80,00
Northcapital Fines Arts ApS	Copenhagen	100,00

**4. Statement of changes in equity**

	Contributed capital	Retained earnings	Share premium	I alt
Equity, beginning balance	-6.750			-6.750
Proposed distribution of results		138.466		138.466
Addition during the year	-99.993.250		-250.000.000	-349.993.250
	<b>-100.000.000</b>	<b>138.466</b>	<b>-250.000.000</b>	<b>-349.861.534</b>

**5. Contingent liabilities**

No contingent liabilities exist at the balance sheet date.

**6. Collaterals and securities**

No securities or mortgages exist at the balance sheet date.