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PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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Romark Properties ApS

c/o Christensen Kjærulff Statsautoriseret Revisionsaktieselskab, Store Kongensgade 68, 1264 København K

Company reg. no. 36 50 76 59

Annual report

1 March 2018 - 28 February 2019

The annual report was submitted and approved by the general meeting on the 29/7 2019

Chairman of the meeting

Notes:
- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Contents

Management's report

The board of directors and the managing director have today presented the annual report of Romark Properties ApS for the financial year 1 March 2018 to 28 February 2019.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 28 February 2019 and of the company's results of its activities in the financial year 1 March 2018 to 28 February 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 29 July 2019

Managing Director

John Stuart Ross

Board of directors

John Stuart Ross

Douglas Garth Ross

Independent auditor's report

To the shareholders of Romark Properties ApS

Opinion

We have audited the annual accounts of Romark Properties ApS for the financial year 1 March 2018 to 28 February 2019, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 28 February 2019 and of the results of the company's operations for the financial year 1 March 2018 to 28 February 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 29 July 2019

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Iver Haugsted
State Authorised Public Accountant
mne10678

Company data

The company	Romark Properties ApS c/o Christensen Kjærulff Statsautoriseret Revisionsaktieselskab, Store Kongensgade 68 1264 København K
	Company reg. no. 36 50 76 59 Financial year: 1 March - 28 February
Board of directors	John Stuart Ross Douglas Garth Ross
Managing Director	John Stuart Ross
Auditors	Christensen Kjærulff Statsautoriseret Revisionsaktieselskab Store Kongensgade 68 1264 København K
Parent company	Roden Holdings ApS

The principal activities of the company

Like previous years, the principal activities are to invest in, own, operate and lease out real estate in Denmark, and all activities deemed to be related thereto by the board of directors.

Development in activities and financial matters

The gross profit for the year is DKK 1.522.699 against DKK 1.435.207 last year. The results from ordinary activities after tax are DKK 1.424.657 against DKK 559.424 last year. The management consider the results satisfactory.

Profit and loss account 1 March - 28 February

All amounts in DKK.

Note		2018/19	2017/18
	Gross profit	**1.522.699**	**1.435.207**
	Value adjustment of investment property	1.021.334	-202.538
	Depreciation and writedown relating to tangible fixed assets	-9.959	-10.059
	Operating profit	**2.534.074**	**1.222.610**
	Other financial income	665	1.799
1	Other financial costs	-708.255	-632.215
	Results before tax	**1.826.484**	**592.194**
	Tax on ordinary results	-401.827	-32.770
	Results for the year	**1.424.657**	**559.424**
	Proposed distribution of the results:		
	Allocated to results brought forward	1.424.657	559.424
	Distribution in total	**1.424.657**	**559.424**

Balance sheet 28 February

All amounts in DKK.

Note	Assets	2019	2018
	Fixed assets		
2	Other plants, operating assets, and fixtures and furniture	14.939	24.898
3	Investment property	19.413.526	18.392.194
	Tangible fixed assets in total	19.428.465	18.417.092
	Fixed assets in total	**19.428.465**	**18.417.092**
	Current assets		
	Trade debtors	33.276	20.243
	Deferred tax assets	0	33.230
	Other debtors	0	74.449
	Accrued income and deferred expenses	41.123	38.754
	Debtors in total	74.399	166.676
	Available funds	2.359.509	94.342
	Current assets in total	**2.433.908**	**261.018**
	Assets in total	**21.862.373**	**18.678.110**

Balance sheet 28 February

All amounts in DKK.

Note	Equity and liabilities	2019	2018
	Equity		
4	Contributed capital	51.000	51.000
5	Share premium account	4.000.000	4.000.000
6	Results brought forward	1.098.368	-326.286
	Equity in total	**5.149.368**	**3.724.714**
	Provisions		
	Provisions for deferred tax	368.597	0
	Provisions in total	**368.597**	**0**
	Liabilities		
	Mortgage debt	8.110.817	8.556.669
	Debt to group enterprises	7.347.251	5.700.745
	Long-term liabilities in total	15.458.068	14.257.414
7	Liabilities	445.404	437.140
	Trade creditors	87.931	18.591
	Other debts	249.357	196.415
	Accrued expenses and deferred income	103.648	43.836
	Short-term liabilities in total	886.340	695.982
	Liabilities in total	**16.344.408**	**14.953.396**
	Equity and liabilities in total	**21.862.373**	**18.678.110**

8 Mortgage and securities

9 Contingencies

All amounts in DKK.

		2018/19	2017/18
1.	**Other financial costs**		
	Financial costs, group enterprises	402.471	362.912
	Other financial costs	305.784	269.303
		708.255	**632.215**

		2018/19	2017/18
2.	**Other plants, operating assets, and fixtures and furniture**		
	Cost opening balance	49.797	49.797
	Cost closing balance	**49.797**	**49.797**
	Amortisation and writedown opening balance	-24.899	0
	Depreciation for the year	-9.959	-24.899
	Amortisation and writedown closing balance	**-34.858**	**-24.899**
	Book value closing balance	**14.939**	**24.898**

		2018/19	2017/18
3.	**Investment property**		
	Cost opening balance	18.951.886	18.951.886
	Cost closing balance	**18.951.886**	**18.951.886**
	Fair value adjustment opening balance	-559.694	-357.057
	Adjustment of the year to fair value	1.021.334	-202.635
	Fair value adjustment closing balance	**461.640**	**-559.692**
	Book value closing balance	**19.413.526**	**18.392.194**

A determination of the return from the individual properties is based on the expected rental income by fully leased property. Expected operating costs, administration costs and maintenance costs are deducted. The subsequent value is adjusted in respect of recognised lack of lease for a reasonable period and expected costs for decoration and large maintenance projects, etc. Likewise, deposits and prepaid lease are added.

The rates of return have been fixed on the basis of managements evaluation of the market level and are estimated to be 8%.

All amounts in DKK.

3. Investment property (continued)

The rate of return has been determined on the basis of market statistics, trades and management's knowledge of the property market in general. When determining the rate of return, parameters such as type (residence, office, shop, etc.), location, age, state of maintenance, duration of rental agreements and tenant credit quality, etc. are considered.

Compared to the latest financial year, the methods of measurement used have not been changed.

4. Contributed capital

Contributed capital opening balance	51.000	51.000
	51.000	**51.000**

5. Share premium account

Share premium account opening balance	4.000.000	4.000.000
	4.000.000	**4.000.000**

6. Results brought forward

Results brought forward opening balance	-326.289	-885.710
Profit or loss for the year brought forward	1.424.657	559.424
	1.098.368	**-326.286**

7. Liabilities

	Instalments first year	Outstanding debt after 5 years	Debt in total 28 Feb 2019	Debt in total 28 Feb 2018
Mortgage debt	445.404	6.248.827	8.556.222	8.993.809
	445.404	**6.248.827**	**8.556.222**	**8.993.809**

8. Mortgage and securities

As security for mortgage debts, DKK 8.556.222, mortgage has been granted on land and buildings representing a book value of DKK 19.413.526 at 28 February 2019.

All amounts in DKK.

9. Contingencies

Contingent liabilities

Commitments and other contingent liabilities

The company has entered into lease agreement concerning the property on Edisonvej 20, Vejle. The lease is non-terminable for the tenant and the owner until 31 May 2035.

Joint taxation

Roden Holdings ApS, company reg. no 38 74 97 49 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

The annual report for Romark Properties ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

Changes in the accounting policies used

Investments properties are now measured at fair markets value according to the Danish Financial Statements Act. § 38. Previously land and buildings was measured at cost price less accumulated depreciation and less any accumulated impairments losses. The change in accounting policies are considered to give a better true and fair view.

The above changes have resulted in an increase of the results for the year before tax of tDKK 1.224 (2017/18: tDKK 0), whereas the results for the year after tax, the balance sheet total and the equity are unchanged for 2017/18.

Except from the above, the accounting policies used are unchanged compared to last year.

The comparative figures have been adjusted to the changed accounting policies.

The profit and loss account

Gross profit

The gross profit comprises the net turnover and external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises and loss on debtors.

Costs concerning investment properties comprise operation costs, repair and maintenance costs, taxes, charges and other costs.

Value adjustment of investment property

Value adjustment of investment property comprises value adjustments of properties at fair value and gain or loss from disposal of properties.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Tangible fixed assets

Other tangible fixed assets are measured at cost with deduction of accrued depreciation and writedown.

The basis of depreciation is cost with deduction of any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the book value, the amortisation discontinues.

If the amortisation period or the residual value is changed, the effect on amortisation will in the future be recognised as a change in the accounting estimates.

The cost comprises the acquisition cost and costs directly attached to the acquisition until the time when the asset is ready for use.

The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing.

Depreciation takes place on a straight line basis and based on an evaluation of the expected useful life and the residual value of the individual assets:

	Useful life	Residual value
Other plants, operating assets, fixtures and furniture	3-5 years	0-20 %

Minor assets with an expected useful life of less than 1 year are recognised as costs in the profit and loss account in the year of acquisition.

Profit or loss deriving from the sales of tangible fixed assets is measured as the difference between the sales price reduced by the selling costs and the book value at the time of the sale. Profit or losses are recognised in the profit and loss account as other operating income or other operating expenses.

Writedown of fixed assets

The book values of both intangible and tangible fixed assets as well as equity investments in subsidiaries and associated enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets respectively. Writedown takes place to the recoverable amount, if this value is lower than the book value.

The recoverable value is equal to the value of the net selling price or the value in use, whichever is higher. The value in use is determined as the present value of the expected net cash flow deriving from the use of the asset or the group of assets.

Previously recognised writedown is reversed when the condition for the writedown no longer exists. Writedown relating to goodwill is not reversed.

Investment property

At the first recognition, investment property is measured at cost, comprising the cost of the property and directly attached costs, if any.

Hereafter, investment properties are measured individually at an estimated fair value. The properties are measured using a return-based model, by which the expected future cash flows for the next year along with a rate of return determined by an external assessor form the basis for the fair value of the properties. Compared to the latest financial year, the method of measurement used remains unchanged.

Costs which add new or improved qualities to an investment property compared to its condition at the time of acquisition and which thereby improves the future return on the property are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognised in the profit and loss account in the item "Costs concerning investment property".

Like other material fixed assets, except from land, investment property has a limited life financial life. The impairment taking place concurrently with the aging of the investment property is reflected in the current measuring of the investment property at fair value.

Value adjustments are recognised in the profit and loss account in the item "Value adjustments of property".

Debtors
Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses
Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds
Available funds comprise cash at bank and in hand.

Equity
Share premium
Share premium comprises amounts paid as premium in connection with the issue of shares. Costs in connection with a carried through issue are deducted in the premium. The premium reserve may be utilised as dividend, issue of bonus shares, and for payment of losses.

Dividend
Dividend expected to be distributed for the year is recognised as a separate item under the equity. Proposed dividend is recognised as a liability at the time of approval by the general meeting (the time of declaration).

Corporate tax and deferred tax
Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Romark Properties ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities
Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Liabilities relating to investment properties are measured at amortised cost.

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

Accrued expenses and deferred income
Received payments concerning income during the following years are recognised under accrued expenses and deferred income.