

A.R. Holding ApS

Sigerstedvej 27, 4100 Ringsted

Company reg. no. 37 25 90 71

Annual report

1 January - 31 December 2017

The annual report have been submitted and approved by the general meeting on the 5 June 2018.

Alicja Barbara Kos

Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

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Management's report

The managing director has today presented the annual report of A.R. Holding ApS for the financial year 1 January to 31 December 2017.

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

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

I am 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.

Ringsted, 5 June 2018

Managing Director

Alicja Barbara Koss

Independent auditor's report

To the shareholders of A.R. Holding ApS

Opinion

We have audited the annual accounts of A.R. Holding ApS for the financial year 1 January to 31 December 2017, 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 31 December 2017 and of the results of the company's operations for the financial year 1 January to 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 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:

Independent auditor's report

- 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.

Independent auditor's report

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, 5 June 2018

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Lotte Nørskov

State Authorised Public Accountant
MNE-nr. 32825

Company data

The company

A.R. Holding ApS
Sigerstedvej 27
4100 Ringsted

Company reg. no. 37 25 90 71
Established: 24 November 2015
Domicile: Ringsted
Financial year: 1 January 2017 - 31 December 2017
3rd financial year

Managing Director

Alicja Barbara Koss

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Subsidiaries

GS Seacon ApS, Ringsted
A.R. Property ApS, Ringsted
GS Group ApS, Ringsted
KOWO Ejendomme ApS, Ringsted
KOWO Udvikling ApS, Ringsted

Management's review

The principal activities of the company

The purpose of the company are owning shares in other companies, investments, financing and other services related to these business.

Development in activities and financial matters

The results from ordinary activities after tax are DKK 14.612.170 against DKK 8.553.626 last year. The management consider the results satisfactory.

Accounting policies used

The annual report for A.R. Holding ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Accounting policies used

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

In case the foreign group enterprises and associated enterprises meet the criteria for being independent units, the profit and loss accounts are translated by using an average exchange rate for the period in question, and the balance sheet items are translated by using the closing rate. Differences arising in connection with the translation of the equity of foreign group enterprises at the beginning of the year to the closing rate are recognised directly in the equity. The same goes for differences arising in connection with translation of the profit and loss accounts from average exchange rate to the closing rate.

At recognition of foreign group enterprises which are integrated units, the monetary items are translated by using the closing rate. Non monetary items are translated by using the exchange rate prevailing at the time of acquisition or at the time of the following depreciation or writedown of the asset. The items of the profit and loss account are translated by using the exchange rate prevailing at the date of the transaction. However, items in the profit and loss account deriving from non monetary items are translated by using historical prices.

Currency adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in the equity. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised in the equity.

The profit and loss account

Other external costs

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

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 concerns the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

Accounting policies used

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 company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

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

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

Accounting policies used

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategic acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

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.

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.

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

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.

Accounting policies used

A.R. Holding ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, A.R. Holding 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

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

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2017</u>	<u>2016</u>
Other external costs	-5.000	-29.500
Results before net financials	-5.000	-29.500
Income from equity investments in group enterprises	14.563.139	8.576.117
Other financial income from group enterprises	85.630	0
Other financial income	0	583
1 Other financial costs	-17.986	-108
Results before tax	14.625.783	8.547.092
2 Tax on ordinary results	-13.613	6.534
Results for the year	14.612.170	8.553.626
Proposed distribution of the results:		
Reserves for net revaluation as per the equity method	14.562.139	8.576.117
Allocated to results brought forward	50.031	0
Allocated from results brought forward	0	-22.491
Distribution in total	14.612.170	8.553.626

Balance sheet 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2017</u>	<u>2016</u>
Fixed assets			
3	Equity investments in group enterprises	<u>23.265.645</u>	<u>14.897.506</u>
	Financial fixed assets in total	<u>23.265.645</u>	<u>14.897.506</u>
	Fixed assets in total	<u>23.265.645</u>	<u>14.897.506</u>
Current assets			
	Amounts owed by group enterprises	7.116.130	0
	Receivable corporate tax	<u>0</u>	<u>6.534</u>
	Debtors in total	<u>7.116.130</u>	<u>6.534</u>
	Available funds	<u>190.701</u>	<u>581.318</u>
	Current assets in total	<u>7.306.831</u>	<u>587.852</u>
	Assets in total	<u>30.572.476</u>	<u>15.485.358</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2017</u>	<u>2016</u>
Equity			
4	Contributed capital	80.000	80.000
5	Share premium account	621.480	621.480
6	Reserves for net revaluation as per the equity method	18.858.165	10.696.026
7	Results brought forward	9.927.540	3.477.509
	Equity in total	<u>29.487.185</u>	<u>14.875.015</u>
Liabilities			
	Trade creditors	5.000	5.000
	Debt to group enterprises	1.066.526	605.343
	Corporate tax	13.765	0
	Short-term liabilities in total	<u>1.085.291</u>	<u>610.343</u>
	Liabilities in total	<u>1.085.291</u>	<u>610.343</u>
	Equity and liabilities in total	<u>30.572.476</u>	<u>15.485.358</u>

8 Contingencies

Notes

All amounts in DKK.

	<u>2017</u>	<u>2016</u>
1. Other financial costs		
Financial costs, group enterprises	15.649	0
Other financial costs	2.337	108
	<u>17.986</u>	<u>108</u>
2. Tax on ordinary results		
Tax of the results for the year, parent company	13.765	-6.534
Adjustment of tax for previous years	-152	0
	<u>13.613</u>	<u>-6.534</u>
3. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2017	4.201.480	701.480
Additions during the year	205.000	3.500.000
Disposals during the year	0	0
Cost 31 December 2017	<u>4.406.480</u>	<u>4.201.480</u>
Revaluations, opening balance 1 January 2017	10.696.026	5.619.909
Results for the year before goodwill amortisation	14.563.139	8.576.117
Dividend	-6.400.000	-3.500.000
Revaluation 31 December 2017	<u>18.859.165</u>	<u>10.696.026</u>
Book value 31 December 2017	<u>23.265.645</u>	<u>14.897.506</u>

The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	Equity	Results for the year	Book value at A.R. Holding ApS
GS Seacon ApS, Ringsted	100 %	19.513.787	14.452.566	19.513.787
A.R. Property ApS, Ringsted	100 %	3.526.542	90.257	3.526.542
GS Group ApS, Ringsted	100 %	94.100	44.100	94.100
KOWO Ejendomme ApS, Ringsted	100 %	50.186	-54.814	50.186
KOWO Udvikling ApS, Ringsted	100 %	81.030	31.030	81.030
		<u>23.265.645</u>	<u>14.563.139</u>	<u>23.265.645</u>

Notes

All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>
4. Contributed capital		
Contributed capital 1 January 2017	80.000	80.000
	80.000	80.000
5. Share premium account		
Share premium account 1 January 2017	621.480	621.480
	621.480	621.480
6. Reserves for net revaluation as per the equity method		
Reserves for net revaluation 1 January 2017	10.696.026	2.119.909
Share of results	14.562.139	8.576.117
Distributed dividend	-6.400.000	0
	18.858.165	10.696.026
7. Results brought forward		
Results brought forward 1 January 2017	3.477.509	3.500.000
Profit or loss for the year brought forward	50.031	-22.491
Transfer from the reserves	6.400.000	0
	9.927.540	3.477.509

Notes

All amounts in DKK.

8. Contingencies

Joint taxation

The company is the administration company of the group of companies 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 total tax payable under the joint taxation amounts to DKK 0 thousand.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of DKK 0 thousand.

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