

AKTIESELSKABET AF 1.2.2017
Fredskovvej 5
DK-7330 Brande
CVR No. 38784382

ANNUAL REPORT 2017/18

The Annual Report was presented and approved
at the Annual General Meeting of the Company

Aarhus, 21. november 2018



Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of AKTIESELSKABET AF 1.2.2017 for the financial year 1 August 2017 - 31 July 2018.

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 July 2018 and of the results of the Company's operations for the financial year 1 August 2017 - 31 July 2018.

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

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

Aarhus, 21 November 2018

Executive Board



Anders Holch Povlsen

Supervisory Board



Lise Kaae
Chairman



Anders Holch Povlsen



Anne Storm Holch Povlsen

Independent Auditor's Report

To the shareholders of AKTIESELSKABET AF 1.2.2017

Opinion

We have audited the financial statements of AKTIESELSKABET AF 1.2.2017 for the financial year 1 August 2017 - 31 July 2018, which comprise an summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 July 2018 and of the results of the Company's operations for the financial year 1 August 2017 - 31 July 2018 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibility 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.

The auditor's responsibility for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 additional requirements applicable in Denmark will always detect material misstatements 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 financial statements on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in 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 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 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

Independent Auditor's Report

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 note 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.

Statement on Management's Review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 the Management's review.

Aarhus, 21 November 2018

Ernst & Young

Godkendt Revisionspartnerselskab

CVR-no. 30700228



Jens Weiersøe Jakobsen

State Authorised Public Accountant

MNE no.: mne30152

Company details

Company	AKTIESELSKABET AF 1.2.2017 Fredskovvej 5 7330 Brande
CVR No.	38784382
Date of formation	21 April 2017
Registered office	Ikast-Brande
Financial year	1 August 2017 - 31 July 2018
Supervisory Board	Lise Kaae, Chairman Anders Holch Povlsen Anne Storm Holch Povlsen
Executive Board	Anders Holch Povlsen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Værkmestergade 25 8000 Aarhus C CVR-no.: 30700228
Annual General Meeting	The Annual General Meeting is held on the 21 November 2018.

Management's Review

The Company's principal activities

The Company's principal activities consist in investment and financing.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 August 2017 - 31 July 2018 shows a result of DKK -55.612.789 and the Balance Sheet at 31 July 2018 a balance sheet total of DKK 3.079.076.804 and an equity of DKK 3.077.522.621.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Expectations for the future

The Company expects its operations to develop positively next year.

Accounting Policies

Reporting Class

The Annual Report of AKTIESELSKABET AF 1.2.2017 for 2017/18 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The Annual Report has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Revenue

Other sales revenues are recognised as revenue according to the invoicing principle.

Other external expenses

Other external expenses comprise expenses regarding administration.

Income from equity investments in associates

Income from equity investments comprises the proportionate share of profit/loss after tax and any adjustment of internal profit/loss and less amortisation of goodwill.

Financial expenses

Financial expenses are recognised in the Income Statement with the amounts that concern the financial year. Financial expenses include interest expenses.

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. The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance Sheet

Equity investments in associates

Equity investments in associates are measured by the equity method at the proportionately owned share of the equity of the enterprises plus any goodwill, less intercompany profit and negative goodwill. Enterprises with negative equity are measured at 0 as the negative value corresponding to the proportionate share is offset against receivables, if any. Amounts beyond this are recognised in the provisions item, if there is a legal or actual obligation to cover the negative balance.

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.

Accounting Policies

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.

Other liabilities

Other liabilities are measured at net realizable value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2017/18 DKK	2017 DKK
Gross profit		4.139.894	807.253
Income from investments in group enterprises and associates		-58.838.797	-10.557.510
Other finance expences		-3.986	0
Profit from ordinary activities before tax		-54.702.889	-9.750.257
Current tax for the year	1	-909.900	-177.584
Profit		-55.612.789	-9.927.841
		<u>-55.612.789</u>	<u>-9.927.841</u>
Distribution of profit		-55.612.789	-9.927.841

Balance Sheet 31. juli 2018

	Note	2018 DKK	2017 DKK
Assets			
Long-term investments in associates		3.073.666.944	3.065.070.080
Investments		3.073.666.944	3.065.070.080
Fixed assets		3.073.666.944	3.065.070.080
Short-term receivables from group enterprises		5.409.860	872.810
Receivables		5.409.860	872.810
Current assets		5.409.860	872.810
Assets		3.079.076.804	3.065.942.890

Balance Sheet 31. juli 2018

	Note	2018 DKK	2017 DKK
Liabilities and equity			
Contributed capital		500.000	500.000
Retained earnings		3.077.022.621	3.065.199.749
Equity		3.077.522.621	3.065.699.749
Debt to banks		545	55.557
Payables to group enterprises		624.988	0
Tax payables		909.900	177.584
Other payables		18.750	10.000
Short-term liabilities other than provisions		1.554.183	243.141
Liabilities other than provisions within the business		1.554.183	243.141
Liabilities and equity		3.079.076.804	3.065.942.890
Contingent liabilities	2		
Collaterals and assets pledges as security	3		
Related parties	4		

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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 August 2017	500.000	3.065.199.749	3.065.699.749
Change of investments through net exchange differences	0	5.555.450	5.555.450
Loss	0	-55.612.789	-55.612.789
Other adjustments of equity	0	18.704.403	18.704.403
Contribution from group	0	43.175.808	43.175.808
Equity 31 July 2018	<u>500.000</u>	<u>3.077.022.621</u>	<u>3.077.522.621</u>

The share capital has remained unchanged since date of formation.

Notes

1. Tax expense

Current tax for the year

909.900	177.584
909.900	177.584

2. Contingent liabilities

The Company is jointly taxed with the other enterprises in the group and are jointly and severally liable for the taxes that concern the joint taxation. The total amount is stated in the annual report of HEARTLAND A/S, which is the administration company in the joint taxation.

3. Collaterals and securities

As collateral for the affiliated company AKTIESELSKABET AF 5.5.2010's debt to credit institutions, 4,934 million DKK, the company has pledged its shares in associated company with a booked value of 3,074 million DKK by 31 July 2018.

4. Related parties

Aktieselskabet af 1.2.2017 is included in the consolidated financial statements of:

HEARTLAND A/S
 Inge Lehmanns Gade 2
 8000 Aarhus C