



MPNM Byggeri ApS

c/o Det Italienske Handelskammer
H.C. Andersens Boulevard 37, 5. th.
1553 København V

CVR No. 39062488

Annual Report 2017/18

1. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 1 April 2019

Francesco Papis
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of MPNM Byggeri ApS for the financial year 1 November 2017 - 30 September 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 30 September 2018 and of the results of the Company's operations for the financial year 1 November 2017 - 30 September 2018.

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

København V, 21 March 2019

Executive Board

Francesco Papis
Manager

Cesare Pedercini
Manager

Independent Auditor's Report

To the shareholders of MPNM Byggeri ApS

Opinion

We have audited the financial statements of MPNM Byggeri ApS for the financial year 1 November 2017 - 30 September 2018, which comprise an income statement, balance sheet 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 Company's financial position at 30 September 2018 and of the results of its operations for the financial year 1 November 2017 - 30 September 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 responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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 going concern uncertainty

Without modifying our opinion, we wish to note that the Company's ability to continue as a going concern is associated with considerable uncertainty. We refer to note 1 in the financial statements, which reflects uncertainty as to whether an agreement is reached for an increase in the compensation for losses in connection with a delay in the contract, which has resulted in major losses for the Company. Management believes that an agreement is reached, and with the declaration of withdrawal from the shareholders on their receivables and a declaration of intent on supporting the Company's operations and with capital for the next 12 months, the management has presented the financial statements on a going concern basis.

Emphasis of matter in the financial statements

Significant uncertainty regarding asset valuation

Without modifying our opinion, we wish to note that the Company's valuation of assets are associated with considerable uncertainty. We refer to note 2 in the financial statements, which reflects uncertainty as to whether binding commitments will be entered into for the financing of the Company's operations and the necessary investments in the coming years. As there is a significant risk that the negotiations for increasing the compensation, for delay of the contract, are not realized as expected, there is a risk that the valuation of deferred tax and construction contract cannot be realized as expected. We agree with the management in the description of the situation, and the risk that the valuation of construction contract and deferred tax cannot be realized as expected.

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 considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

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

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from

Independent Auditor's Report

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 no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of 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 a material misstatement 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 whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements 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 internal control which 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial

Independent Auditor's Report

Statements Act. In our opinion, the Management's review is not materially misstated.

Risskov, 21 March 2019

Risskov Revision
Statsautoriseret Revisionsaktieselskab
CVR-no. 31574994

Tonny Løbner
State Authorised Public Accountant
mne28824

Company details

Company	MPNM Byggeri ApS c/o Det Italienske Handelskammer H.C. Andersens Boulevard 37, 5. th. 1553 København V
CVR No.	39062488
Date of formation	1 November 2017
Registered office	København
Financial year	1 November 2017 - 30 September 2018

Executive Board	Francesco Papis, Manager Cesare Pedercini, Manager
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Auditors	Risskov Revision Statsautoriseret Revisionsaktieselskab Brunbjergvej 3 8240 Risskov CVR-no.: 31574994
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Management's Review

The Company's principal activities

The Company's principal activities consists of the construction of residential buildings and properties other purposes.

Development in activities and financial matters

The company has entered into a construction contract in connection with at major construction in Copenhagen. The construction is considerably delayed, which has caused the company significant losses. The company has demanded compensation from the client for loss in connection therewith. The loss has turned out to be greater than expected, which is why the management will increase the compensation base to the client. The outcome of these negotiations is not known at the time of preparation of the financial statements.

Net result is negative by DKK 4,3 million and the company's equity is lost.

The remaining part of the contract, the management budget with positive results.

The company's owners have submitted a declaration of withdrawal to other creditors with their total outstanding amount of DKK 23 million and have made at declaration of intent on support for the company's operations and with capital for the next 12 months. The company's management expects a positive outcome of the negotiations to increase the compensation, and on the basis of the owners' withdrawal and intention declaration, the financial statement is presented with continued operation in mind.

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.

Accounting Policies

Reporting Class

The Annual Report of MPNM Byggeri ApS 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.

As the financial year 2017/18 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

The financial statement have been prepared under the historical cost princip.

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

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.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operation income, cost of raw and consumables and other external expenses.

Accounting Policies

Revenue

Revenue is recognised in the income statement if the goods have been delivered and the risk has passed to the buyer before year-end and if the revenue can be reliably calculated and expected to be received. Revenue is recognised exclusive of VAT and net of sales discounts.

Revenue from construction contracts are recognised as revenue as production is carried out, whereby net revenue corresponds to the selling price of the work performed for the year. When the outcome of a contractual contract can be estimated reliably, revenue is recognized only in relation to the costs incurred, insofar as it is likely that they will be recycled.

The completion rate for measuring the output of the production is calculated on the basis of the costs consumed in relation to the latest cost estimate.

Costs for raw materials and consumables comprise the cost of goods purchased less discounts, costs subcontractors and change in inventories for the year.

Other external expenses

Other external costs include costs for distribution, sales, administration, premises, loss of debtors, operating leasing costs etc.

Staff expenses

Staff expenses comprise wages, salaries and other pay-related costs, such as sickness benefits for enterprise employees less wage/salary reimbursement, pensions and social security costs and other staff expenses.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, realised and unrealised capital gains and losses regarding accounts payable and transactions in foreign currencies and surcharges and allowances under the tax prepayment scheme.

Tax on net profit 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

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.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Construction contracts

Construction contracts in progress are measured at the selling price of the work performed. The selling price is measured on the basis of the stage of completion at the balance sheet date and the estimated total income from the individual work in progress. The stage of completion is determined on the basis of costs incurred in relation to expected total costs.

Deduction for loss is determined as the total expected contract loss, irrespective of the share actually performed.

The value of the individual supplies in progress less invoicing on account is classified as receivables if the amounts are positive and as payables if the amounts are negative.

Accounting Policies

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.

Provisions

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

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.

Liabilities

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal 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 kr.
Gross profit		-1.709.387
Employee benefits expense	3	<u>-3.659.681</u>
Profit from ordinary operating activities		-5.369.068
Other finance income	4	36.257
Finance expences	5	<u>-186.494</u>
Profit from ordinary activities before tax		-5.519.305
Tax expense on ordinary activities		<u>1.209.699</u>
Profit		<u>-4.309.606</u>
 Proposed distribution of results		
Retained earnings		<u>-4.309.606</u>
Distribution of profit		<u>-4.309.606</u>

Balance Sheet as of 30 September

	Note	2018 kr.
Assets		
Short-term trade receivables		29.828.638
Contract work in progress	6	6.699.096
Current deferred tax		1.209.699
Deferred income		139.874
Receivables		<u>37.877.307</u>
Cash and cash equivalents		<u>1.008.838</u>
Current assets		<u>38.886.145</u>
Assets		<u>38.886.145</u>

Balance Sheet as of 30 September

	Note	2018 kr.
Liabilities and equity		
Contributed capital		500.000
Retained earnings		-4.309.606
Equity	7	<u>-3.809.606</u>
Payables to associates		23.142.999
Long-term liabilities other than provisions		<u>23.142.999</u>
Trade payables		19.457.083
Other payables		95.669
Short-term liabilities other than provisions		<u>19.552.752</u>
Liabilities other than provisions within the business		<u>42.695.751</u>
Liabilities and equity		<u>38.886.145</u>
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1. Uncertainties relating to going concern

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Net result is negative by DKK 4.3 million. and the company's equity is lost.

The company's owners have submitted a declaration of withdrawal to other creditors with their total outstanding amount of DKK 23 million and has made a declaration of intent on support for the company's operations, and with capital for the next 12 months. The company's management expects a positive outcome of the negotiations to increase the compensation, and on the basis of the owners' withdrawal and intention declaration, the accounts are presented with continued operation in mind.

There is a significant risk that the negotiations will not be realized as expected, and the business basis for the contract will lapse. Thus, there is significant risk for the company's continued operation.

2. Uncertainty connected with valuation of asset

As there is a significant risk that the negotiations for increasing the compensation as described in note 1 are not realized as expected, there is a risk that the valuation of deferred tax and construction contract cannot be realized as expected.

3. Employee benefits expense

Wages and salaries	2.348.160
Post-employment benefit expense	43.739
Social security contributions	75.200
Other employee expense	1.192.582
	3.659.681

Average number of employees	<u>4</u>
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4. Finance income

Exchange rate, debtors	23.577
Exchange rate, creditors	24.197
Interest, bank	-11.517
	36.257

5. Finance expenses

Interest expenses, creditors	27.400
Exchange rate, debtors	8.564
Exchange rate, creditors	150.530
	186.494

6. Contract work in progress

Sales value of work	6.699.096
Net value of contract work	6.699.096

Notes

2017/18

7. Statement of changes in equity

	Contributed capital	Retained earnings	Total
Equity, beginning balance	500.000	0	500.000
Proposed distribution of results		-4.309.606	-4.309.606
	500.000	-4.309.606	-3.809.606

The share capital has remained unchanged for the last 5 years.

8. Collaterals and securities

No securities or mortgages exist at the balance sheet date.