

**Ejendomsselskabet
Marielundsvej 37 A-D ApS**
Kokholm 12
6000 Kolding
Central Business Registration No
13829438

Annual report 2016

The Annual General Meeting adopted the annual report on 29.05.2017

Chairman of the General Meeting

Name: Brian Kidmose Jensen

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Entity details

Entity

Ejendomsselskabet Marielundsvej 37 A-D ApS
Kokholm 12
6000 Kolding

Central Business Registration No: 13829438
Registered in: Kolding
Financial year: 01.01.2016 - 31.12.2016

Executive Board

Jörg Waskönig
Michael Waskönig
Brian Kidmose Jensen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of Ejendomsselskabet Marielundsvej 37 A-D ApS for the financial year 01.01.2016 - 31.12.2016.

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 Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Kolding, 29.05.2017

Executive Board

Jörg Waskönig

Michael Waskönig

Brian Kidmose Jensen

Independent auditor's reports

To the shareholder of Ejendomsselskabet Marielundsvej 37 A-D ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Ejendomsselskabet Marielundsvej 37 A-D ApS for the financial year 01.01.2016 - 31.12.2016. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, are prepared in accordance with the Danish Financial Statements Act.

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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

Independent auditor's reports

In connection with our extended review of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 29.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Jan Larsen

State Authorised Public Accountant

Management commentary

Primary activities

The Company's activities consist in management of rental properties.

Development in activities and finances

Profit for the year amounts to DKK 385 thousand.

The Executive Board considers the development in this year's performance satisfactory.

The investment property is recognised at an estimated fair value of DKK 12,900 thousand, which is based on a required rate of return of 7.2%. The rate of return has been determined on the assumption that the property will not be sold in an accelerated sales process.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross profit		955.224	955.884
Staff costs	1	(446.684)	(253.001)
Depreciation, amortisation and impairment losses	2	<u>(12.275)</u>	<u>(49.980)</u>
Operating profit/loss		496.265	652.903
Other financial income	3	0	636
Other financial expenses	4	<u>(2.097)</u>	<u>(42.290)</u>
Profit/loss before tax		494.168	611.249
Tax on profit/loss for the year	5	<u>(108.700)</u>	<u>(36.000)</u>
Profit/loss for the year		<u>385.468</u>	<u>575.249</u>
Proposed distribution of profit/loss			
Retained earnings		<u>385.468</u>	<u>575.249</u>
		<u>385.468</u>	<u>575.249</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Investment property		12.900.000	12.900.000
Other fixtures and fittings, tools and equipment		0	99.275
Property, plant and equipment	6	<u>12.900.000</u>	<u>12.999.275</u>
Fixed assets		<u>12.900.000</u>	<u>12.999.275</u>
Receivables from group enterprises		43.422	0
Other receivables		129.149	309.711
Receivables		<u>172.571</u>	<u>309.711</u>
Cash		<u>1.601.600</u>	<u>2.059.240</u>
Current assets		<u>1.774.171</u>	<u>2.368.951</u>
Assets		<u>14.674.171</u>	<u>15.368.226</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		2.000.000	2.000.000
Retained earnings		10.104.948	9.719.480
Equity		12.104.948	11.719.480
Deferred tax		1.680.000	1.583.000
Provisions		1.680.000	1.583.000
Other payables		507.688	495.852
Non-current liabilities other than provisions		507.688	495.852
Trade payables		3.945	0
Payables to group enterprises		0	1.449.297
Income tax payable		11.700	0
Other payables		365.890	120.597
Current liabilities other than provisions		381.535	1.569.894
Liabilities other than provisions		889.223	2.065.746
Equity and liabilities		14.674.171	15.368.226
Contingent liabilities	7		

Statement of changes in equity for 2016

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	2.000.000	9.719.480	11.719.480
Profit/loss for the year	0	385.468	385.468
Equity end of year	2.000.000	10.104.948	12.104.948

Notes

	2016	2015
	DKK	DKK
1. Staff costs		
Wages and salaries	432.652	243.500
Other social security costs	14.032	9.501
	446.684	253.001
Average number of employees	2	
	2016	2015
	DKK	DKK
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	39.710	49.980
Profit/loss from sale of intangible assets and property, plant and equipment	(27.435)	0
	12.275	49.980
	2016	2015
	DKK	DKK
3. Other financial income		
Interest income	0	636
	0	636
	2016	2015
	DKK	DKK
4. Other financial expenses		
Financial expenses from group enterprises	1.406	40.989
Interest expenses	691	1.301
	2.097	42.290
	2016	2015
	DKK	DKK
5. Tax on profit/loss for the year		
Tax on current year taxable income	11.700	42.000
Change in deferred tax for the year	97.000	(6.000)
	108.700	36.000

Notes

	Investment property DKK	Other fixtures and fittings, tools and equipment DKK
6. Property, plant and equipment		
Cost beginning of year	13.916.765	368.164
Disposals	0	(368.164)
Cost end of year	13.916.765	0
Depreciation and impairment losses beginning of the year	0	(268.889)
Depreciation for the year	0	(39.710)
Reversal regarding disposals	0	308.599
Depreciation and impairment losses end of the year	0	0
Fair value adjustments beginning of year	(1.016.765)	0
Fair value adjustments end of year	(1.016.765)	0
Carrying amount end of year	12.900.000	0

The Company's property is a commercial unit of a total of 3,812 square metres in Herlev, Copenhagen. The investment property is measured at fair value as described in the accounting policies. The fair value is determined by applying the return-based model.

The property consists of 26 leases, and 24 leases are leased apart from a void period due to movings. The average rent per square metre is DKK 373. According to the property's maintenance schedule there will not be conducted any improvements on the property in the coming financial year beyond regular maintenance, which has been accounted for in the fair value recognition.

The equivalent yield on the property is 7.2% at 31.12.2016 compared to 7.4% at 31.12.2015. A decrease in the equivalent yield of 0.5% would increase the market value of the property by DKK 1.0 million.

The property valuation per square metre is DKK 3,384.

No external valuer has been used to determine fair value.

Notes

7. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Waskönig & Walter Danmark ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 01.07.2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies. The jointly taxed companies' total known net liability in the joint taxation arrangement is stated in the financial statements of the administration company.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C enterprises.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and other external expenses.

Revenue

Revenue relates to rent. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Accounting policies

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish consolidated enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-10 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Investment property

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date. Fair value is determined by applying the return-based model as the calculated value in use of expected cash flows from each property. The calculation is based on budgeted net earnings for the next year that has been adjusted to normal earnings, and using a required rate of return that reflects current market required rates of return for similar properties. The value is adjusted for factors not reflected in normal earnings, for example, actual vacancy rate, major refurbishments etc.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Cash

Cash comprises bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other financial liabilities

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

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.