

FB 40 ApS

c/o Aberdeen Asset Management Denmark A/S
Strandvejen 58, 2
2900 Hellerup
CVR no. 14 22 64 35

Annual report for 2018

Adopted at the annual general meeting on 7
June 2019

Niels Christian Wedell-Wedellsborg

chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of FB 40 ApS for the financial year 1 January - 31 December 2018.

The annual report is 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 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 7 June 2019

Executive board

Pernille Ohlsen

Michael John Fitzgerald

Niels Christian Wedell-Wedellsborg

Independent auditor's report

To the shareholders of FB 40 ApS

Opinion

We have audited the financial statements of FB 40 ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the 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 are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

Management's responsibilities 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 the 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.

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report

- Identify and assess the risks of material misstatement of 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 the 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 use 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 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 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 management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

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

Copenhagen, 7 June 2019

Deloitte
Statsautoriseret revisionspartnerselskab
CVR no. 33 96 35 56

Lars Andersen
State Authorised Public Accountant
MNE no. mne27762

Company details

The company

FB 40 ApS
c/o Aberdeen Asset Management Denmark A/S
Strandvejen 58, 2
2900 Hellerup
CVR no.: 14 22 64 35
Reporting period: 1 January - 31 December 2018
Domicile: Gentofte

Executive board

Pernille Ohlsen
Michael John Fitzgerald
Niels Christian Wedell-Wedellsborg

Auditors

Deloitte
Statsautoriseret revisionspartnerselskab
Weidekampsgade 6
0900 København C

Management's review

Business activities

The objective of the Company is to hold properties, both under own auspices and through subsidiaries, and other related activities.

Development in activities and finances.

Profit before tax is DKK 17.322 thousand (2017: Profit DKK 179,919 thousand) is impacted by profit on sale of investments property of DKK 24,819 thousand.

Profit of the year is DKK 11,639 thousand (2017: DKK 128,207 thousand).

Management regards results as satisfactory.

Assets total DKK 39,820 thousand, of out which DKK 31,841 comprise investments in subsidiaries.

As of 31 December 2018, equity is DKK 408 thousand.

Outlook

The Company is expected to be liquidated during 2019.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement

1 January 2018 - 31 December 2018

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Revenue		3.732	10.568
Other operating income	1	28.004	104.824
Other external expenses		<u>-5.512</u>	<u>-32.987</u>
Gross profit		26.224	82.405
Value adjustments of assets held for investment		<u>0</u>	<u>46.132</u>
Profit/loss before net financials		26.224	128.537
Income from investments in subsidiaries	2	-4.488	55.838
Financial income		0	83
Financial costs	3	<u>-4.414</u>	<u>-4.539</u>
Profit/loss before tax		17.322	179.919
Tax on profit/loss for the year	4	<u>-5.683</u>	<u>-51.712</u>
Profit/loss for the year		<u>11.639</u>	<u>128.207</u>
Recommended appropriation of profit/loss			
Extraordinary dividend for the year		131.285	287.688
Reserve for net revaluation under the equity method		-5.274	-43.161
Retained earnings		<u>-114.372</u>	<u>-116.320</u>
		<u>11.639</u>	<u>128.207</u>

Balance sheet at 31 December 2018

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Assets			
Investment properties	5	0	233.400
Tangible assets		<u>0</u>	<u>233.400</u>
Investments in subsidiaries	6	31.835	41.273
Fixed asset investments		<u>31.835</u>	<u>41.273</u>
Total non-current assets		<u>31.835</u>	<u>274.673</u>
Other receivables		4.194	14.015
Prepayments		1	0
Receivables		<u>4.195</u>	<u>14.015</u>
Cash at bank and in hand		<u>3.790</u>	<u>45.232</u>
Total current assets		<u>7.985</u>	<u>59.247</u>
Total assets		<u><u>39.820</u></u>	<u><u>333.920</u></u>

Balance sheet at 31 December 2018

	<u>Note</u>	<u>2018</u> TDKK	<u>2017</u> TDKK
Equity and liabilities			
Share capital		1.777	1.777
Reserve for net revaluation under the equity method		0	5.274
Retained earnings		-1.369	113.002
Equity	7	<u>408</u>	<u>120.053</u>
Provision for deferred tax		0	21.730
Other provisions		408	10.533
Total provisions		<u>408</u>	<u>32.263</u>
Banks		0	37.532
Deposits		0	669
Total non-current liabilities	8	<u>0</u>	<u>38.201</u>
Short-term part of lon-term debt	8	0	1.564
Banks		0	49.615
Trade payables		0	6.297
Payables to subsidiaries		36.722	19.746
Corporation tax		1.186	34.671
Other payables		1.096	31.510
Total current liabilities		<u>39.004</u>	<u>143.403</u>
Total liabilities		<u>39.004</u>	<u>181.604</u>
Total equity and liabilities		<u><u>39.820</u></u>	<u><u>333.920</u></u>
Contingencies, etc.	9		
Related parties and ownership structure	10		

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Proposed extraordinary dividend	Total
Equity at 1 January 2018	1.777	5.274	113.003	0	120.054
Extraordinary dividend paid	0	0	0	-131.285	-131.285
Net profit/loss for the year	0	-5.274	-114.372	131.285	11.639
Equity at 31 December 2018	1.777	0	-1.369	0	408

Notes

	<u>2018</u>	<u>2017</u>
	TDKK	TDKK
1 Other operating income		
Gain/loss on sale of assets	24.819	104.824
Other operating revenues	<u>3.185</u>	<u>0</u>
	<u>28.004</u>	<u>104.824</u>
2 Income from investments in subsidiaries		
Share of profits of subsidiaries	0	55.838
Share of losses of subsidiaries	<u>-4.488</u>	<u>0</u>
	<u>-4.488</u>	<u>55.838</u>
3 Financial costs		
Financial expenses, group entities	0	186
Other financial costs	<u>4.414</u>	<u>4.353</u>
	<u>4.414</u>	<u>4.539</u>
4 Tax on profit/loss for the year		
Current tax for the year	26.185	34.739
Deferred tax for the year	-21.730	16.973
Adjustment of tax concerning previous years	<u>1.228</u>	<u>0</u>
	<u>5.683</u>	<u>51.712</u>

Notes

5 Assets measured at fair value

	<u>Investment pro- perties</u>
Cost at 1 January 2018	135.138
Additions for the year	16.762
Disposals for the year	<u>-151.900</u>
Cost at 31 December 2018	<u>0</u>
Revaluations at 1 January 2018	98.262
Disposals	<u>-98.262</u>
Revaluations at 31 December 2018	<u>0</u>
Carrying amount at 31 December 2018	<u><u>0</u></u>

Notes

	2018	2017
	TDKK	TDKK
6 Investments in subsidiaries		
Cost at 1 January 2018	35.994	36.000
Cost at 31 December 2018	35.994	36.000
Revaluations at 1 January 2018	5.273	48.435
Net profit/loss for the year	-4.482	55.838
Received dividend	-4.950	-99.000
Revaluations at 31 December 2018	-4.159	5.273
Carrying amount at 31 December 2018	31.835	41.273

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
KG 47 P/S	Gentofte	99%	31.388.922	-4.463.427
KG 47 GP ApS	Gentofte	100%	760.867	-69.289

7 Equity

The share capital consists of 1.777 shares of a nominal value of TDKK 1.000. No shares carry any special rights.

The share capital has developed as follows:

	2018	2017	2016	2015	2014
	TDKK	TDKK	TDKK	TDKK	TDKK
Share capital at 1 January 2018	1.777	1.777	1.777	1.200	1.200
Additions for the year	0	0	0	577	0
Share capital	1.777	1.777	1.777	1.777	1.200

Notes

8 Long term debt

	Debt at 1 January 2018	Debt at 31 December 2018	Instalment next year	Debt outstanding after 5 years
Banks	39.096	0	0	0
Deposits	669	0	0	0
	39.765	0	0	0

Notes

9 Contingencies, etc.

The Entity serves as an administration company in the Danish joint taxation arrangement. According to the joint taxation provisions of the Danish corporation Tax Act, the Entity is therefore liable from financial year 2013 for income taxes etc. for the jointly taxed entities and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

10 Related parties and ownership structure

At the date of signature, FREP Holdings Canada 1 LP, Canada owns 100% of the shares of the Entity and thus has control over the Entity.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
FREP Holdings Canada 1 LP, Canada.

Accounting policies

The annual report of FB 40 ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B entities as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

Basis of 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 from the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting 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.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Income statement

Revenue

Income related to property operation - excluding fair value adjustments - is recognised as rental income.

Other operating income

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

Other external expenses

Expenses related to property operation - excluding fair value adjustments - are recognised as operating expenses. This item also includes write-downs on receivables recognised in current assets.

Administrative expenses comprise expenses incurred during the year for management and administration of the Company, including among others amortisation, depreciation and impairment losses relating to other fixtures and fittings, tools and equipment.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions as well as tax relief under the Danish Tax Prepayment Scheme etc.

Profit/loss from investments in subsidiaries.

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, including changes arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to entries directly in equity.

The Entity is jointly taxed with all Danish group companies. 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

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.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Investments in subsidiaries

Investments in subsidiaries are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises's equity value plus or minus unarmortised goodwill and plus or minus unrealised intra-group profits and losses.

Accounting policies

Investments in subsidiaries with a negative equity value are measured at DKK 0. Any receivables from the enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at the present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve of net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

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

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash

Cash comprises bank deposits.

Provisions

Provisions comprise anticipated costs of non-recourse free commitments etc.

Provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Income tax and deferred tax

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.