LAAMA Ejendomme A/S

Over Hadstenvej 42, DK-8370 Hadsten

Annual Report for 1 January - 31 December 2017

CVR No 27 25 68 80

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 26/4 2018

Henrik Petersen
Chairman

Contents

Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of LAAMA Ejendomme A/S for the financial year 1 January - 31 December 2017.

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 financial position at 31 December 2017 of the Company and of the results of the Company operations for 2017.

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

Hadsten, 26 April 2018

Executive Board

Henrik Petersen
CEO

Board of Directors

Ketil Vesterlund Chairman	Hans Mønster	Henrik Petersen

Independent Auditor's Report

To the Shareholder of LAAMA Ejendomme A/S

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

We have audited the Financial Statements of LAAMA Ejendomme A/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet and notes, including a summary of significant accounting policies ("the Financial Statements").

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 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 judgement and maintain professional scepticism throughout the audit. We also:

- 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.

Aarhus, 26 April 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Henrik Kragh
State Authorised Public Accountant
mne26783

Claus Lyngsø Sørensen
State Authorised Public Accountant
mne34539

Company Information

The Company	LAAMA Ejendomme A/S Over Hadstenvej 42 DK-8370 Hadsten CVR No: 27 25 68 80 Financial period: 1 January - 31 December Municipality of reg. office: Favrskov
Board of Directors	Ketil Vesterlund, Chairman Hans Mønster Henrik Petersen
Executive Board	Henrik Petersen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Nobelparken Jens Chr. Skous Vej 1 DK-8000 Aarhus C

Income Statement 1 January - 31 December

	Note	2017	1/5-2016 - 31/12-2016
		DKK	DKK
Gross profit/loss		**8,251,763**	**5,378,930**
Depreciation and impairment of property, plant and equipment	2	-794,512	-503,354
Profit/loss before financial income and expenses		**7,457,251**	**4,875,576**
Financial income	3	1,855,367	870,581
Financial expenses		-1,647,938	-877,852
Profit/loss before tax		**7,664,680**	**4,868,305**
Tax on profit/loss for the year	4	-1,686,230	-1,071,346
Net profit/loss for the year		**5,978,450**	**3,796,959**

Distribution of profit

Proposed distribution of profit

Retained earnings	5,978,450	3,796,959
	5,978,450	**3,796,959**

Balance Sheet 31 December

Assets

	Note	2017	2016
		DKK	DKK
Land and buildings		45,514,524	46,309,036
Property, plant and equipment	5	**45,514,524**	**46,309,036**
Fixed assets		**45,514,524**	**46,309,036**
Receivables from group enterprises		34,871,431	17,900,777
Receivables		**34,871,431**	**17,900,777**
Cash at bank and in hand		**3,170**	**0**
Currents assets		**34,874,601**	**17,900,777**
Assets		**80,389,125**	**64,209,813**

Balance Sheet 31 December

Liabilities and equity

	Note	2017	2016
		DKK	DKK
Share capital		500,000	500,000
Retained earnings		27,560,456	21,472,265
Equity	6	**28,060,456**	**21,972,265**
Provision for deferred tax		2,737,389	2,439,112
Provisions		**2,737,389**	**2,439,112**
Mortgage loans		38,755,246	30,511,964
Credit institutions		1,937,408	2,328,039
Payables to group enterprises		1,682,229	1,665,492
Deposits		740,603	732,813
Long-term debt	7	**43,115,486**	**35,238,308**
Mortgage loans	7	2,082,904	1,388,234
Credit institutions	7	1,257,780	1,307,797
Corporation tax		2,136,825	717,920
Other payables	8	998,285	1,146,177
Short-term debt		**6,475,794**	**4,560,128**
Debt		**49,591,280**	**39,798,436**
Liabilities and equity		**80,389,125**	**64,209,813**
Key activities	1		
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Notes to the Financial Statements

1 Key activities

The Company's activities consist of leasing out and managing real estate, including to other Hoyer Group subsidiaries.

	2017	1/5-2016 - 31/12-2016
	DKK	DKK
2 Depreciation and impairment of property, plant and equipment		
Depreciation of property, plant and equipment	794,512	503,354
	794,512	**503,354**
3 Financial income		
Interest received from group enterprises	1,855,367	870,581
	1,855,367	**870,581**
4 Tax on profit/loss for the year		
Current tax for the year	1,418,905	717,920
Deferred tax for the year	298,277	384,112
Adjustment of tax concerning previous years	0	-12
	1,717,182	**1,102,020**
which breaks down as follows:		
Tax on profit/loss for the year	1,686,230	1,071,346
Tax on changes in equity	30,952	30,674
	1,717,182	**1,102,020**

Notes to the Financial Statements

5 Property, plant and equipment

	Land and buildings
	DKK
Cost at 1 January	66,617,459
Cost at 31 December	66,617,459
Impairment losses and depreciation at 1 January	20,308,423
Depreciation for the year	794,512
Impairment losses and depreciation at 31 December	21,102,935
Carrying amount at 31 December	**45,514,524**

6 Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	500,000	21,472,265	21,972,265
Fair value adjustment of hedging instruments	0	140,693	140,693
Tax on adjustment of hedging instruments for the year	0	-30,952	-30,952
Net profit/loss for the year	0	5,978,450	5,978,450
Equity at 31 December	**500,000**	**27,560,456**	**28,060,456**

Notes to the Financial Statements

7 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2017	2016
	DKK	DKK
Mortgage loans		
After 5 years	28,433,788	24,804,447
Between 1 and 5 years	10,321,458	5,707,517
Long-term part	38,755,246	30,511,964
Within 1 year	2,082,904	1,388,234
	40,838,150	**31,900,198**
Credit institutions		
After 5 years	384,946	754,215
Between 1 and 5 years	1,552,462	1,573,824
Long-term part	1,937,408	2,328,039
Within 1 year	391,675	393,456
Other short-term debt to credit institutions	866,105	914,341
Short-term part	1,257,780	1,307,797
	3,195,188	**3,635,836**
Payables to group enterprises		
After 5 years	1,682,229	1,665,492
Long-term part	1,682,229	1,665,492
Within 1 year	0	0
	1,682,229	**1,665,492**
Deposits		
After 5 years	740,603	732,813
Long-term part	740,603	732,813
Within 1 year	0	0
	740,603	**732,813**

Notes to the Financial Statements

8 Derivative financial instruments

Derivative financial instruments contracts in the form of interest rate swaps have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

	2017	2016
	DKK	DKK
Liabilities	451,880	592,573

Interest rate swap contracts have been concluded to hedge future interest payments on floating rate loans. The contracts have a term of 7 years. Under the contracts, an interest rate of 0,0275 % is exchanged for a fixed rate of interest of 4,98 % on loans with a principal amount of DKK 2,7 million. The interest rate swap contract has been concluded for the entire remaining maturity period of the loan of 6 years.

	2017	2016
	DKK	DKK

9 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

Land and buildings and other tangible assets with a carrying amount of	45,514,524	46,309,036

The following assets have been placed as security with bankers for mortgage deed of DKK 6,6 million:

Land and buildings and other tangible assets with a carrying amount of	45,514,524	46,309,036

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Hoyer Group A/S, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company’s liability.

Notes to the Financial Statements

10 Related parties

Consolidated Financial Statements

The Company is part of the Group Annual Report of

Name	Place of registered office
Hoyer Group A/S	Copenhagen

Notes to the Financial Statements

11 Accounting Policies

The Annual Report of LAAMA Ejendomme A/S for 2017 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2017 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

11 Accounting Policies (continued)

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting, see below.

Hedge accounting

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods or services sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Notes to the Financial Statements

11 Accounting Policies (continued)

Depreciation and impairment losses

Depreciation and impairment losses comprise depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	30 years

Depreciation period and residual value are reassessed annually.

The residual value amounts to DKK 16 million.

Notes to the Financial Statements

11 Accounting Policies (continued)

Impairment of fixed assets

The carrying amounts of property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Notes to the Financial Statements

11 Accounting Policies (continued)

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.