



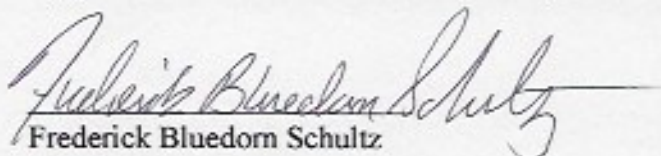
ACTIS REVISORER
TIME FOR CHANGE

*Pedershaab Real Estate ApS
Vestre Gade 6 F
2605 Brøndby*

CVR-no: 27 29 88 34

*ANNUAL REPORT
1. januar - 31. december 2016
(13. accounting year)*

Approved at the Annual General Meeting of the Company on ^{maj} / 2017



Frederick Bluedorn Schultz
Chairman

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The Company

Pedershaab Real Estate ApS
Vestre Gade 6 F
2605 Brøndby

CVR-no.: 27 29 88 34
Founded: 1. juli 2003

Executive board

Frederick Bluedorn Schultz

Bank

Nykredit
Metropol. Østergade 30
9800 Hjørring

Accountant

Actis Revisorer a/s
Vestre Gade 6F
2605 Brøndby

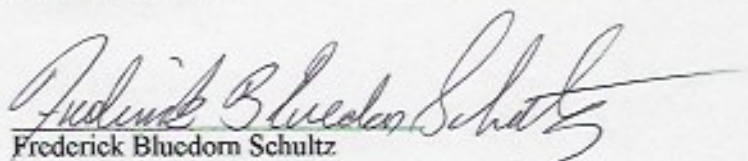
Today the Executive Board has discussed and approved the Annual Report of Pedershaab Real Estate ApS for the period 1. januar - 31. december 2016.

We declare that the enterprise meets the conditions for not auditing the financial statements for the current year.

In my opinion, the financial statements give a true and fair view of the Company's assets, equity, liabilities and financial position at 31. december 2016 and of its financial performance for the period 1. januar - 31. december 2016.

We recommend that the Annual Report be approved by the Annual General Meeting.

~~Florida~~
~~Wisconsin~~, 1. May 2017
Executive Board


Frederick Bluedorn Schultz

AUDITORS' COMPILATION REPORT ON FINANCIAL STATEMENTS

To Management of Pedershaab Real Estate ApS

We have compiled these financial statements of Pedershaab Real Estate ApS for the period 1. januar - 31. december 2016 based on the bookkeeping records of the Company and other information provided by you.

The financial statements include accounting policies, income statement, balance sheet and notes.

We have performed the compilation in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist you in preparing and presenting the financial statements in conformity with the Danish Financial Statements Act. We have observed the relevant provisions of the Danish Act on Approved Auditors and Audit Firms and the Code of Ethics for Professional Accountants issued by FSR - Danish Auditors, including the principles of integrity, objectivity, professional competence and due care.

We are not independent in our role as preparer and submitter of reports.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us for use in the compilation of these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements have been prepared in conformity with the Danish Financial Statements Act.

Brøndby, Maj 1., 2017
Actis Accounting A/S
Approved auditing firm
CVR 32671098

Bjarne Aalbæk
partner, certified public accountant
registreret revisor

INCOME STATEMENT
1. JANUAR - 31. DECEMBER 2016

| | 2016 | 2015 |
|--|------------------|------------------|
| GROSS MARGIN | 3.073.644 | 3.571.928 |
| 1 Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment..... | 548.705- | 626.730- |
| Profit on ordinary activities before fair value adjustments | 2.524.939 | 2.945.198 |
| OPERATING PROFIT OR LOSS | 2.524.939 | 2.945.198 |
| Other financial income | 104.816 | 92.592 |
| Other financial expenses | 166.067- | 252.122- |
| PROFIT OR LOSS FROM ORDINARY ACTIVATES BEFORE TAX | 2.463.688 | 2.785.668 |
| 2 Tax on net profit for the year | 563.468- | 687.516- |
| PROFIT OR LOSS FOR THE YEAR | 1.900.220 | 2.098.152 |
| PROPOSED DISTRIBUTION OF NET PROFIT | | |
| Retained earnings | 1.900.220 | 2.098.152 |
| SETTLEMENT OF DISTRIBUTION | 1.900.220 | 2.098.152 |

BALANCE SHEET AT 31. DECEMBER 2016
ASSETS

| | 2016 | 2015 |
|--|-------------------|-------------------|
| 3 Land and buildings | 20.204.259 | 19.222.849 |
| Property, plant and equipment | 20.204.259 | 19.222.849 |
| Receivables from group enterprises | 2.775.946 | 1.203.164 |
| Investments | 2.775.946 | 1.203.164 |
| NON-CURRENT ASSETS | 22.980.205 | 20.426.013 |
| | | |
| Cash | 794.664 | 586.489 |
| CURRENT ASSETS | 794.664 | 586.489 |
| | | |
| ASSETS | 23.774.869 | 21.012.502 |

BALANCE SHEET AT 31. DECEMBER 2016
EQUITY AND LIABILITIES

| | 2016 | 2015 |
|--|-------------------|-------------------|
| Contributed capital | 125.000 | 125.000 |
| 4 Revaluation reserve | 9.372.924 | 8.475.815 |
| Retained earnings | 8.535.747 | 6.339.146 |
| 5 EQUITY | 18.033.671 | 14.939.961 |
| Provision for deferred tax | 3.130.851 | 2.794.226 |
| PROVISIONS | 3.130.851 | 2.794.226 |
| Mortgage debt | 927.971 | 1.785.464 |
| Long-term payables | 927.971 | 1.785.464 |
| Current portion of long-term liabilities | 857.493 | 819.429 |
| Trade creditors | 1.062 | 0 |
| Corporate income tax | 412.136 | 222.288 |
| Other accounts payable | 411.685 | 451.134 |
| Short-term payables | 1.682.376 | 1.492.851 |
| PAYABLES | 2.610.347 | 3.278.315 |
| EQUITY AND LIABILITIES | 23.774.869 | 21.012.502 |
| 6 Charges and securities | | |

NOTES

| | 2016 | 2015 |
|---|----------------|----------------|
| 1 Amortisation, depreciation and impairment losses - intangible assets and property, plant and equipment | | |
| Buildings | 548.705 | 626.730 |
| | <u>548.705</u> | <u>626.730</u> |
| 2 Tax on net profit for the year | | |
| Calculated tax on net profit for the year..... | 562.584 | 687.516 |
| Adjustment of prior year tax | 884 | 0 |
| | <u>563.468</u> | <u>687.516</u> |

NOTES

| | Land and buildings |
|---|-----------------------|
| 3 Property, plant and equipment | |
| Cost at beginning of period | 12.926.000 |
| Additions during the year | 0 |
| Disposals during the year | 0 |
| | <hr/> |
| Cost 31. december 2016 | 12.926.000 |
| | <hr/> |
| Revaluations at beginning of period..... | 13.441.304 |
| Revaluations for the year..... | 1.530.115 |
| | <hr/> |
| Revaluations 31. december 2016 | 14.971.419 |
| | <hr/> |
| Amortisation, depreciation and impairment losses at beginning of period | 7.144.455- |
| Depreciation and impairment losses arising on assets disposed of | 0 |
| Amortisation, depreciation and impairment losses for the year | 548.705- |
| | <hr/> |
| Amortisation, depreciation and impairment losses 31. december 2016 | 7.693.160- |
| | <hr/> |
| Book value 31. december 2016 | 20.204.259 |
| | <hr/> <hr/> |

Investment properties are recognized at fair value, where the increase or decrease in fair value is recognized in equity. The fair value is calculated as a return divided by a yield requirement of 9.25 percent. The yield is the standard for properties of this type in its area, and depending on location, maintenance status, etc. Returns are converted to a normalised year, taking into account the lease term, the amount of the rent, the tenant's equity, the expected idle and the maintenance status of the property, etc. If the return rate was 0.25% higher, the value would have been 19,672,568 DKK, and if the return rate had been 0.25% lower, the value would have been 20,765,489 DKK.

The factors used are subject to uncertainty, as a result of developments in future conditions and the assessment of return requirements (yield). The property market has been characterized by a neutral business trend in the property's area. As a result of market developments, uncertainty in determining fair value of investment properties is greater than normal.

| | 2016 | 2015 |
|---|------------------|------------------|
| 4 Revaluation reserve | | |
| Revaluation reserve beginning of year | 8.475.815 | 6.090.031 |
| Additions for the year | 1.193.490 | 2.673.602 |
| Depreciations on the revaluation | 296.381- | 287.818- |
| | <hr/> | <hr/> |
| | 9.372.924 | 8.475.815 |
| | <hr/> <hr/> | <hr/> <hr/> |

NOTES

| | Opening balance | Capital account adjustment | Proposed distribution of net profit | Closing balance |
|---------------------------|-------------------|----------------------------|-------------------------------------|-------------------|
| 5 Equity | | | | |
| Contributed capital | 125.000 | 0 | 0 | 125.000 |
| Revaluation reserve | 8.475.815 | 897.109 | 0 | 9.372.924 |
| Retained earnings | 6.339.146 | 0 | 2.196.601 | 8.535.747 |
| | <u>14.939.961</u> | <u>897.109</u> | <u>2.196.601</u> | <u>18.033.671</u> |

6 Charges and securities

Land and buildings are collateral for mortgage debts. The book value of land and buildings is ths TDKK 20.204.

Three mortgage deeds registered to the mortgagor has been registred at the Land Registry. The mortgage deeds hold the land and buildings as collateral. The company hold these deeds themselves, and they, have not been given as security for debts or liabilities. The deeds have a value of DKK 10.000 ths, 13.950 ths, 4.400 ths and 20.000 ths, a total of DKK 48.350 ths.

Changes in accounting policies

The accounting policies have changed, due to changes in the Financial Statement Act.

Reserve for revaluation is in 2016 and forward reduced with depreciations on the revaluations. The changes has been done as changes in accounting policies, where the net effect is booked on equity at beginning on the year. Comparative figures has been changed to show the changes. Net effect is per 31.12.2016, that the reserves for revaluation has been reduces with 2,3 mio. DKK, which are transfered to free reserves.

Except for the above-mentioned fields of the accounting policies, the accounting policies are consistent with those of the previous year. The reporting currency is Danish kroner.

Recognition and measurement in general

The financial statements have been prepared under the historical cost convention.

Income is recognised in the income statement when earned. Value adjustments of financial assets and liabilities measured at fair value or amortised cost are also recognised in the income statement. Costs incurred to generate the earnings for the year are also recognised in the income statement, including amortisation, depreciation, impairment losses and provisions as well as reversals resulting from changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future financial benefits will flow to the Company and it is possible to obtain a reliable measurement of the individual assets.

Liabilities are recognised in the balance sheet when it is probable that future financial benefits will flow from the Company and it is possible to obtain a reliable measurement of the individual liabilities.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item.

Foreign currency translation

Receivables, accounts payable and other monetary items denominated in a foreign currency, but not settled at the reporting date, are translated at the exchange rates ruling at the reporting date. Exchange rate differences between the exchange rates at the reporting date and the date of the individual transaction are recognised in the income statement as financial income or financial expenses.

INCOME STATEMENT

General information

Certain income and expenses have been aggregated in the item designated 'Gross profit' with reference to section 32 of the Financial Statements Act.

Gross profit

Gross profit is a combination of the items of 'Revenue', 'Change in inventories of finished goods, work in progress and goods for resale', 'Other operating income', 'Cost of raw materials and consumables' and 'Other external costs'.

Revenue

Revenue includes rental income and is recognised in the income statement when rent is earned according to existing leases.

Operating expenses for investment properties include real property tax, insurance and maintenance.

Other external expenses

Other external expenses include costs for sales, advertising, administration, premises, bad debts, rental expenses under operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement based on the amounts which relate to the financial year. Financial income and expenses include interest revenue and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses on securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme. Dividends from other equity investments are recognised as income in the financial year in which the dividends are declared.

Tax on net profit for the year

Tax for the year comprises current tax and changes in deferred tax. The share attributable to the profit or loss for the year is recognised in the income statement, and the share attributable directly to equity is recognised directly in equity.

Any change in deferred tax as a result of changes in the tax rate, the share attributable to the profit is recognised in the income statement, and the share attributable directly to equity is recognised directly in equity.

BALANCE SHEET

Property, plant and equipment

Investment properties are properties held for the purpose of obtaining rental income and capital gains at any subsequent disposal.

On initial recognition, investment properties are measured at cost, which comprises the cost of the property and any directly related expenses.

Investment properties are subsequently measured at their fair value. The fair value of the properties is reassessed annually based on the return-based valuation model.

The fair value is determined based on the net return on commercial properties located in the same geographical area as the properties. Net return is calculated taking into consideration the existing leases, the state of repair of the properties and the budget for the next year.

Net return is calculated as total rental income less direct costs for property taxes, insurance, maintenance and housing management incurred on the investment properties divided by the carrying amounts of the investment properties less deposits.

Changes in fair value are recognised in Equity under 'Revaluation reserve'.

Because of the property market and the property's special characteristics and geographic location, there is uncertainty with statement of the fair value of the property.

Straight-line depreciation is provided on the basis of an assessment of the expected useful lives of the assets and their residual value.

| | <u>User time</u> | <u>Residual value</u> |
|------------|------------------|-----------------------|
| Properties | 50 years | 0-10 % |

Assets with a unit cost of less than DKK 12,900 are recognised as expenses in the income statement in the year of acquisition.

Receivables

Receivables are measured at amortised cost, which normally corresponds to the nominal value. The value is reduced by an allowance for expected impairment losses.

Corporate income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the balance sheet as calculated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured using the balance-sheet liability method on temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases. In cases where the tax base can be determined under alternative taxation rules, such as in relation to shares, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability.

Deferred tax assets, including the tax base of tax losses allowed for carryforward, are measured at their anticipated net realisable value, either by elimination in tax on future earnings or by offsetting against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at their net realisable values.

Payables

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other payables, comprising trade payables and amounts owed to Group enterprises and associates and other accounts payable, are measured at amortised cost, which normally corresponds to the nominal value.

Cash and cash equivalents

Cash and cash equivalents comprise the items of 'Cash' recognised under current assets and 'Bank overdrafts' recognised under short-term debt.