

# Dantop Ejendomme P/S

Fridtjof Nansens Plads 5, 2100 København Ø

CVR no. 28 85 13 67

## Annual report 2017

Approved at the Company's annual general meeting on 8 May 2018

Chairman:



.....





## Contents

Statement by the Board of Directors and the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Dantop Ejendomme P/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 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.


Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 8 May 2018  
Executive Board:

  
.....  
Katia Ciesielska

Board of Directors:

  
.....  
Robert McCorduck  
Chairman  
.....  
Carl Edgar Serge Vøgg  
.....  
Katia Ciesielska

## Independent auditor's report

To the shareholders of Dantop Ejendomme P/S

### Opinion

We have audited the financial statements of Dantop Ejendomme P/S for the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. 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 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.

### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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 rules and requirements.

### 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 as to 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 the 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.

### Independent auditor's report

- ▶ 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 note 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 the 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 assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility 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 our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

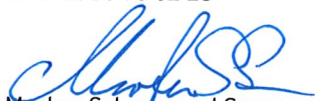
Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 8 May 2018

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Morten Schougaard Sørensen  
State Authorised Public Accountant  
MNE no.: mne32129

## Management's review

### Company details

Name	Dantop Ejendomme P/S
Address, Postal code, City	Fridtjof Nansens Plads 5, 2100 København Ø
CVR no.	28 85 13 67
Established	23 June 2005
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Robert McCorduck, Chairman Carl Edgar Serge Vøgg Katia Ciesielska
Executive Board	Katia Ciesielska
General Partner	Dantop Ejendomme Komplementarselskab ApS Fridtjof Nansens Plads 5 2100 København Ø
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark

## **Management's review**

### **Business review**

The company's purpose is to own and hold shares in companies, buying, selling and renting real estate and any other related business.

### **Recognition and measurement uncertainties**

As the company is engaged in development of investment properties, the Company is affected by changes in the property market, including the general level of interest rates and economic conditions. For a description of significant assumptions for the fair value recognition as 31 December 2017 please refer to note 4.

### **Financial review**

The income statement for 2017 shows a profit of DKK 28,278,241 against a profit of DKK 8,178,244 last year, and the balance sheet at 31 December 2017 shows equity of DKK 90,116,548. The profit is influenced by a fair value adjustment of the investment properties and sale of property.

Management considers the company's financial performance in the year as expected.

### **Events after the balance sheet date**

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end 2017.

## Financial statements 1 January - 31 December

### Income statement

Note	2017 DKK	2016 DKK'000
<b>Gross margin</b>	6,491,426	9,431
2 Staff costs	0	0
<b>Operating profit before fair value adjustments</b>	6,491,426	9,431
Fair value adjustment of investment property	22,680,439	0
<b>Profit before net financials</b>	29,171,865	9,431
Other financial income from group enterprises	318,938	304
Financial income	76,198	105
Financial expenses, group enterprises	-158,687	-232
Other financial expenses	-1,130,073	-1,430
<b>Profit for the year</b>	<b>28,278,241</b>	<b>8,178</b>
 <b>Recommended appropriation of profit</b>		
Proposed dividend recognised under equity	7,186,714	0
Extraordinary dividend distributed in the year	0	7,000
Retained earnings	21,091,527	1,178
	<b>28,278,241</b>	<b>8,178</b>



## Financial statements 1 January - 31 December

### Balance sheet

Note	2017 DKK	2016 DKK'000
<b>ASSETS</b>		
<b>Fixed assets</b>		
3 Property, plant and equipment		
Land and buildings	175,303,000	157,429
	<u>175,303,000</u>	<u>157,429</u>
<b>Investments</b>		
Other receivables	8,030,848	7,672
	<u>8,030,848</u>	<u>7,672</u>
<b>Total fixed assets</b>	<u>183,333,848</u>	<u>165,101</u>
<b>Non-fixed assets</b>		
<b>Receivables</b>		
Receivables from group enterprises	7,186,714	6,379
Other receivables	230,905	301
Prepaid expenses	30,624	0
	<u>7,448,243</u>	<u>6,680</u>
<b>Cash</b>	<u>5,747,813</u>	<u>4,288</u>
<b>Total non-fixed assets</b>	<u>13,196,056</u>	<u>10,968</u>
<b>TOTAL ASSETS</b>	<u><u>196,529,904</u></u>	<u><u>176,069</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	2017 DKK	2016 DKK'000
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
	10,000,000	10,000
	72,929,834	52,043
	7,186,714	0
	<u>90,116,548</u>	<u>62,043</u>
<b>Provisions</b>		
	2,677,487	2,761
6	<u>2,677,487</u>	<u>2,761</u>
<b>Liabilities other than provisions</b>		
5	<b>Non-current liabilities other than provisions</b>	
	100,171,553	105,057
	1,212,666	1,282
	<u>101,384,219</u>	<u>106,339</u>
<b>Current liabilities other than provisions</b>		
	129,395	19
	0	4,869
	2,222,255	38
	<u>2,351,650</u>	<u>4,926</u>
	<u>103,735,869</u>	<u>111,265</u>
	<u>196,529,904</u>	<u>176,069</u>

1 Accounting policies

7 Collateral

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed	Total
Equity at 1 January 2016	10,000,000	51,265,486	0	61,265,486
Transfer through appropriation of profit	0	8,178,244	0	8,178,244
Adjustment of hedging instruments at fair value	0	-401,000	0	-401,000
Proposed extraordinary dividend recognised under equity	0	-7,000,000	0	-7,000,000
<b>Equity at 1 January 2017</b>	<b>10,000,000</b>	<b>52,042,730</b>	<b>0</b>	<b>62,042,730</b>
Transfer through appropriation of profit	0	21,091,527	7,186,714	28,278,241
Adjustment of hedging instruments at fair value	0	-204,423	0	-204,423
<b>Equity at 31 December 2017</b>	<b>10,000,000</b>	<b>72,929,834</b>	<b>7,186,714</b>	<b>90,116,548</b>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Dantop Ejendomme P/S for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

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

Rent comprises rental income from the leases of properties. Rent is recognised on an accruals basis.

Rent is measured net of all types of discounts/rebates granted. Also, rent is measured net of VAT and other indirect taxes charged on behalf of third parties.

##### Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Property expenses', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

##### Expenses concerning investment properties

Includes costs associated with the operation and administration of investment properties, repairment and maintenance, property taxes and other expenses which are not paid by tenants.

##### Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

##### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Investment properties

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates. In Management's opinion the determination of fair value for the year was enabled through comparable market transactions and, consequently, valuation is based on the expected selling price of investment properties including portfolio discount.

The valuation is not based on the statement from an external assessor.

The estimates applied are based on historical information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

##### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

##### Equity

##### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Provisions

Other provisions comprise expected maintenance liabilities in accordance with section 22 of the Danish Rent Act. Provisions are recognised when, as a result of past events, the Company has legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

#### 2 Staff costs

The Company has no employees.

#### 3 Property, plant and equipment

DKK	<u>Land and buildings</u>
Cost at 1 January 2017	140,270,105
Disposals	-4,683,248
Cost at 31 December 2017	<u>135,586,857</u>
Revaluations at 1 January 2017	17,158,403
Value adjustments for the year	22,680,439
Reversal of accumulated revaluation of disposals	-122,699
Revaluations at 31 December 2017	<u>39,716,143</u>
Carrying amount at 31 December 2017	<u><u>175,303,000</u></u>

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 4 Assumptions underlying the determination of fair value of investment properties

The Company's management believes that the selected accounting policies, where investment properties are measured at fair value, provides the best presentation of the Company's assets and liabilities, the financial position, and the results of its operations.

The best documentation for the fair value of the Company's investment properties is current prices in an active market for similar investment properties. In the lack of such information, the fair value is determined within a range of probable calculated estimates of the fair value, defined as the value between a qualified willing buyer and a qualified willing seller based on the conditions on the balance sheet date.

The company has an ongoing divestment of apartments when these become vacant. The valuation is based on a DCF-model where the most significant parameters are:

- ▶ The latest gained sales prices
- ▶ Estimated annual sales of apartments
- ▶ Estimated growth in sales prices
- ▶ Rate of inflation
- ▶ WACC

The valuation is based on a WACC of 5.09%, annual sales of 3.75% of the portfolio (a 26.7 year sales period), growth in sales prices 1.09% and inflation rate of 1.09%.

If the WACC is increased 0.25% the value of the properties would be reduced by DKK 4.8 million and if WACC was reduced by 0.25% the value would be increased by DKK 5.0 million.

If sales per year is changed to 4.0% the value would increase by DKK 11.0 million and if sale per year is changed to 3.5% the value would decrease by DKK 9.4 million.

#### 5 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 100,172 thousand falls due for payment after more than 5 years after the balance sheet date.

#### 6 Provisions

Maintenance liabilities BRL § 22, DKK 2,677,487

Maintenance liabilities related to BRL § 22 are expected to fall due within 5 years.

#### 7 Collateral

As security for the Company's mortgage debt, the Company has placed assets with carrying amount of DKK 175,303 thousand.