

Pontus Ejendomme ApS under frivillig likvidation

c/o M7 Real Estate ApS
Borgergade 2, 6. sal, 1300 København K

CVR no. 29 39 06 30

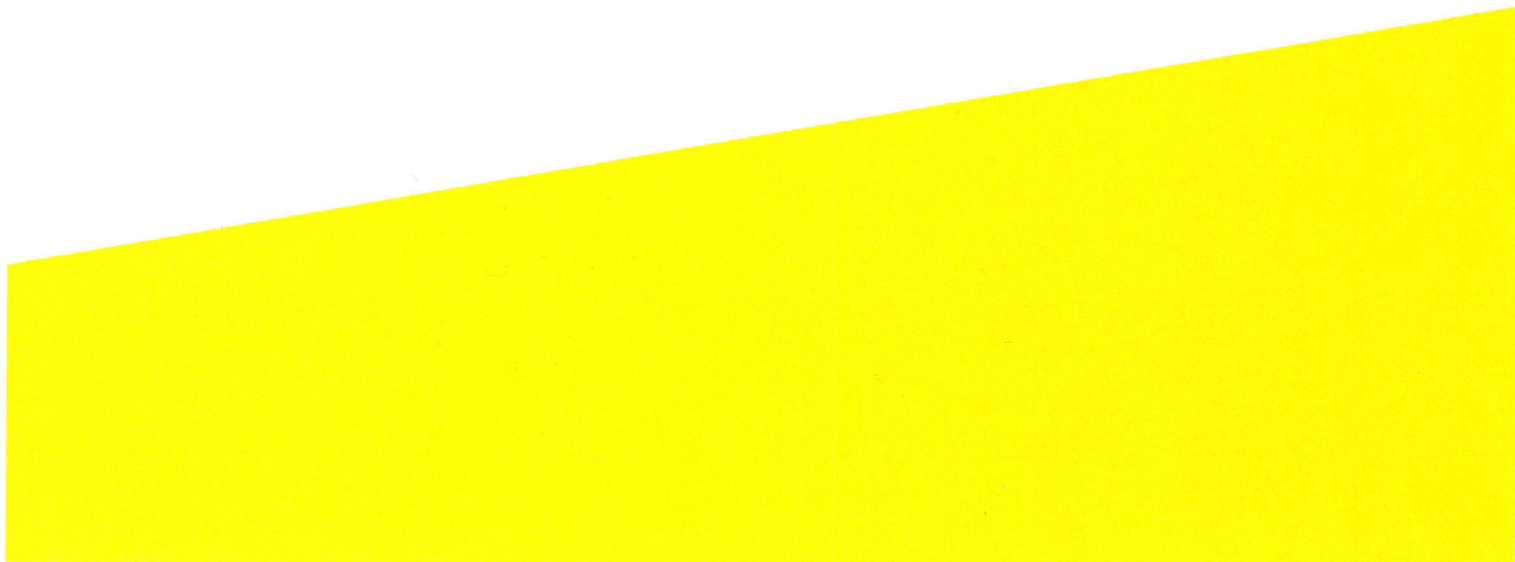
Annual report 2017

Approved at the Company's annual general meeting on 25 May 2018

Chairman:



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Mette Seifert





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Statement by the liquidator

Today, I have discussed and approved the annual report of Pontus Ejendomme ApS under frivillig likvidation 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, 25 May 2018

Liquidator:

A handwritten signature in blue ink, appearing to read 'Mette Seifert', written over a horizontal dotted line.

Mette Seifert

Independent auditor's report

To the liquidator of Pontus Ejendomme ApS under frivillig likvidation

Opinion

We have audited the financial statements of Pontus Ejendomme ApS under frivillig likvidation 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.

Liquidator's responsibilities for the financial statements

Liquidator 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 Liquidator 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 liquidator 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.

Independent auditor's report

- ▶ 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 liquidator.
- ▶ Conclude on the appropriateness of liquidator'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 liquidator 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

The liquidator 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.

Copenhagen, 25 May 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Henrik Reedtz
State Authorised Public Accountant
MNE no.: mne24830



Management's review

Company details

Name	Pontus Ejendomme ApS under frivillig likvidation
Address, Postal code, City	c/o M7 Real Estate ApS Borgergade 2, 6. sal, 1300 København K
CVR no.	29 39 06 30
Established	15 February 2006
Registered office	Copenhagen
Financial year	1 January - 31 December
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuhs Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

The Company's purpose is to invest in real estate located in Denmark, including hiring out and developing such real estate.

Unusual matters having affected the financial statements

The Company has lost most of its share capital. The Company generates sufficient cash to fulfil its obligations and is, therefore, considered as a going concern.

Financial review

The income statement for 2017 shows a profit of DKK 10,274,281 against a loss of DKK 19,163,722 last year, and the balance sheet at 31 December 2017 shows equity of DKK 7,760,167. Management considers the Company's financial performance in the year satisfactory.

The Company sold all remaining investment properties in the financial year.

Events after the balance sheet date

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

Outlook

Following the sales of the Company's assets, it is the intention to wind down the Company; most likely within a year.



Financial statements 1 January - 31 December

Income statement

Note	DKK	2017	2016
	Gross margin	15,417,028	-7,865,098
2	Staff costs	0	0
	Operating profit/loss before fair value adjustments	15,417,028	-7,865,098
	Fair value adjustments of investment property	0	986,533
	Profit/loss before net financials	15,417,028	-6,878,565
3	Financial income	8,113	188,584
4	Financial expenses	-5,150,860	-12,473,741
	Profit/loss before tax	10,274,281	-19,163,722
	Tax for the year	0	0
	Profit/loss for the year	10,274,281	-19,163,722
	Recommended appropriation of profit/loss	10,274,281	-19,163,722
	Retained earnings/accumulated loss	10,274,281	-19,163,722



Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
	Investment property	0	317,600,000
		0	317,600,000
	Total fixed assets	0	317,600,000
	Non-fixed assets		
	Receivables		
	Trade receivables	278,835	419,101
	Other receivables	0	2,310,666
	Prepayments	0	1,103,504
		278,835	3,833,271
	Cash	7,715,328	73,691,601
	Total non-fixed assets	7,994,163	77,524,872
	TOTAL ASSETS	7,994,163	395,124,872
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	170,859,000	170,859,000
	Retained earnings	-163,098,833	-269,873,114
	Total equity	7,760,167	-99,014,114
	Liabilities other than provisions		
	Non-current liabilities other than provisions		
	Credit institutions	0	165,101,928
	Other payables	0	6,174,596
		0	171,276,524
	Current liabilities other than provisions		
	Trade payables	230,133	11,196,034
	Payables to group entities	0	311,666,428
	Other payables	3,863	0
		233,996	322,862,462
	Total liabilities other than provisions	233,996	494,138,986
	TOTAL EQUITY AND LIABILITIES	7,994,163	395,124,872

1 Accounting policies

6 Contractual obligations and contingencies, etc.

7 Collateral



Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2017	170,859,000	-269,873,114	-99,014,114
Transfer through appropriation of profit	0	10,274,281	10,274,281
Contribution from group	0	96,500,000	96,500,000
Equity at 31 December 2017	<u>170,859,000</u>	<u>-163,098,833</u>	<u>7,760,167</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Pontus Ejendomme ApS under frivillig likvidation 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.

Income statement

Revenue

Rental income receivable from operating leases is recognised on a straight-line basis over the term of the lease.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross margin

With reference to section 32 of the Danish Financial statements Act, the items 'Revenue', 'Cost' of sales', Other external expenses' and 'Other operating income' are consolidated into item designated 'Gross profit'.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Property expenses

Property expenses include expenses relating to renting out the Company's investment property, including expenses relating to running and maintaining such property.

Administrative expenses

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, Management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to advertising and administration.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Investment properties are measured at fair value. Value adjustments are recognised in the income statement.

The fair value is determined by Management together with real property advisors. The properties are measured by reference to a yield-based market value. The net income - calculated as possible rental income including loss on non-occupation less operating expenses - is capitalised using a fixed marked-based yield requirement.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash

Cash and cash equivalents comprise cash and short-term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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.



Financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

The Company has no employees.

DKK	<u>2017</u>	<u>2016</u>
3 Financial income		
Other financial income	<u>8,113</u>	<u>188,584</u>
	<u>8,113</u>	<u>188,584</u>
4 Financial expenses		
Interest expenses, group entities	908,785	7,941,855
Other financial expenses	<u>4,242,075</u>	<u>4,531,886</u>
	<u>5,150,860</u>	<u>12,473,741</u>



Financial statements 1 January - 31 December

Notes to the financial statements

5 Property, plant and equipment

DKK	Investment property
Cost at 1 January 2017	526,129,882
Disposals in the year	-526,129,882
Cost at 31 December 2017	0
Revaluations at 1 January 2017	-208,529,882
Reversal of revaluation of disposals	208,529,882
Revaluations at 31 December 2017	0
Carrying amount at 31 December 2017	0

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company is jointly taxed with its parent, Cadmus Danmark ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

7 Collateral

The Company has not provided any security or other collateral in assets at 31 December 2017.