

Roarslund Properties K/S
Vesterbrogade 33, 1620 København

Annual report

2016

Company reg. no. 29 68 65 99

The annual report have been submitted and approved by the general meeting on the 9 May 2017.

Michael Jordan
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The management has today presented the annual report of Roarslund Properties K/S for the financial year 1 January to 31 December 2016.

The annual report has been presented in accordance with the Danish Financial Statements Act.

I consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

København, 9 May 2017

General partner

Roarslund Properties
Komplementarselskab ApS

Independent auditor's report

To the limited partners of Roarslund Properties K/S

Opinion

We have audited the annual accounts of Roarslund Properties K/S for the financial year 1 January to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 1 January to 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 9 May 2017

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Leif Tomasson

State Authorised Public Accountant

Company data

The company

Roarslund Properties K/S
Vesterbrogade 33
1620 København

Company reg. no. 29 68 65 99
Established: 6 July 2006
Domicile: Copenhagen
Financial year: 1 January - 31 December
 11th financial year

Managing Director

Roarslund Properties Komplementarselskab ApS

General partner

Roarslund Properties Komplementarselskab ApS

Auditors

Martinsen
Statsautoriseret Revisionspartnerselskab
Øster Allé 42
2100 København Ø
Phone +45 35 38 48 88
www.martinsen.dk

Management's review

The principal activities of the enterprise

The companies main activity is to acquire, hold and sell retail properties.

Development in activities and financial matters

The results from ordinary activities are DKK -477.425 against DKK -680.549 last year.

Accounting policies used

The annual report for Roarslund Properties K/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Translation of foreign currency

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the exchange rate on the transaction date.

Accounting policies used

The profit and loss account

Net turnover

Rental income from investment property

Rental income comprises income from the lease of property and from charged joint costs, and it is recognised in the profit and loss account for the period relating to the lease payment. Income from the heating account is recognised in the balance sheet as a balance among the lessees.

Other external costs

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Costs concerning investment properties

Costs concerning investment properties comprise operation costs, repair and maintenance costs, taxes, charges and other costs. Costs concerning the heating accounts are recognised in the balance sheet as a balance among the lessees.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The company is not a taxable person, so no tax is included.

The balance sheet

Investment property

At the first recognition, investment property is measured at cost, comprising the cost of the property and directly attached costs, if any.

Hereafter, investment properties are measured individually at an estimated fair value. The measurement takes place by using a return-based model. The return rates (the interest demands) are determined property for property.

Costs which add new or improved qualities to an investment property compared to its condition at the time of acquisition and which thereby improves the future return on the property are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognised in the profit and loss account in the item "Costs concerning investment property".

Accounting policies used

Like other material fixed assets, except from land, investment property has a limited life financial life. The impairment taking place concurrently with the aging of the investment property is reflected in the current measuring of the investment property at fair value.

Value adjustments are recognised in the profit and loss account in the item "Value adjustments of property".

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Also capitalised residual leasing liabilities in connection with financial leasing contracts are recognised in the financial liabilities.

Liabilities relating to investment properties are measured at amortised cost.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Net turnover	2.277.340	2.236.359
Other external costs	-512.052	-963.318
Gross results	1.765.288	1.273.041
Other financial income	58.493	0
1 Other financial costs	-2.301.206	-1.953.590
Results for the year	-477.425	-680.549
Proposed distribution of the results:		
Allocated from results brought forward	-477.425	-680.549
Distribution in total	-477.425	-680.549

Balance sheet 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2016</u>	<u>2015</u>
Fixed assets			
2	Investment property	<u>30.116.564</u>	<u>30.116.564</u>
	Tangible fixed assets in total	<u>30.116.564</u>	<u>30.116.564</u>
	Fixed assets in total	<u>30.116.564</u>	<u>30.116.564</u>
Current assets			
	Claims for payment of contributed capital	<u>500.000</u>	<u>500.000</u>
	Debtors in total	<u>500.000</u>	<u>500.000</u>
	Available funds	<u>117.516</u>	<u>259.071</u>
	Current assets in total	<u>617.516</u>	<u>759.071</u>
	Assets in total	<u>30.734.080</u>	<u>30.875.635</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2016</u>	<u>2015</u>
Equity			
3	Contributed capital	500.000	500.000
4	Capitalaccounts	22.589.163	22.032.158
5	Results brought forward	-8.356.975	-7.879.550
	Equity in total	<u>14.732.188</u>	<u>14.652.608</u>
Liabilities			
	Mortgage debt	15.364.909	15.624.856
	Debt to group enterprises	187.971	183.468
	Long-term liabilities in total	<u>15.552.880</u>	<u>15.808.324</u>
6	Liabilities	200.000	200.000
	Other debts	232.822	198.452
	Accrued expenses and deferred income	16.190	16.251
	Short-term liabilities in total	<u>449.012</u>	<u>414.703</u>
	Liabilities in total	<u>16.001.892</u>	<u>16.223.027</u>
	Equity and liabilities in total	<u>30.734.080</u>	<u>30.875.635</u>

7 Mortgage and securities**8 Contingencies**

Notes

All amounts in DKK.

	2016	2015
1. Other financial costs		
Other financial costs	2.301.206	1.953.590
	2.301.206	1.953.590
2. Investment property		
Cost opening balance	34.739.050	34.622.486
Additions during the year	0	116.564
Cost opening balance	34.739.050	34.739.050
Fair value adjustment opening balance	-4.622.486	-4.622.486
Fair value adjustment closing balance	-4.622.486	-4.622.486
Book value closing balance	30.116.564	30.116.564
<p>A determination of the return from the individual properties is based on the expected rental income by fully leased property. Expected operating costs, administration costs and maintenance costs are deducted. The subsequent value is adjusted in respect of recognised lack of lease for a reasonable period and expected costs for decoration and large maintenance projects etc. Likewise, deposits and prepaid lease are added. The rates of return have been fixed on the basis of external brokers' evaluation of the market level.</p>		
3. Contributed capital		
Contributed capital opening balance	500.000	500.000
	500.000	500.000
4. Capitalaccounts		
Capitalaccounts opening balance	22.032.158	21.023.244
Exchange rate adjustments	0	-31.659
Paid in the year	557.005	1.040.573
	22.589.163	22.032.158

Notes

All amounts in DKK.

	31/12 2016	31/12 2015
5. Results brought forward		
Results brought forward opening balance	-7.879.550	-7.199.001
Net retained earnings or deficit	-477.425	-680.549
	-8.356.975	-7.879.550

6. Liabilities

	Instalments first year	Outstanding debt after 5 years	Debt in total 31 Dec 2016	Debt in total 31 Dec 2015
Mortgage debt	200.000	14.250.000	15.564.909	15.824.856
	200.000	14.250.000	15.564.909	15.824.856

7. Mortgage and securities

As security for mortgage debts, TDKK 15.565 mortgage has been granted on land and buildings representing a book value of TDKK 30.117 at 31 December 2016.

8. Contingencies

Contingent liabilities

There is an interest swap agreement with a negativ trade value of 0,2 mio. DKK at 31/12 2016 (1,0 mio. DKK at 31/12 2015). The interest swap agreement expires at 31/3 2017.