



CHRISTENSEN  
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET  
REVISIONSAKTIESELSKAB

CVR: 15 91 56 41

STORE KONGENSGADE 68  
1264 KØBENHAVN K

TLF: 33 30 15 15  
E-MAIL: CK@CK.DK  
WEB: WWW.CK.DK

# Immeo North ApS

Store Kongensgade 68, 1264 København K

Company reg. no. 29 77 72 92

## Annual report

1 January - 31 December 2016

The annual report has been submitted and approved by the general meeting on the 3 May 2017.

---

Daniel Frey  
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.



## **Contents**

---

	<b><u>Page</u></b>
<b>Reports</b>	
Management's report	1
Independent auditor's report	2
<b>Management's review</b>	
Company data	5
Management's review	6
<b>Annual accounts 1 January - 31 December 2016</b>	
Profit and loss account	7
Balance sheet	8
Notes	10
Accounting policies used	12



## **Management's report**

---

The executive board has today presented the annual report of Immeo North ApS for the financial year 1 January to 31 December 2016.

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

We consider the accounting policies used appropriate, and in our 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.

We are 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.

Copenhagen, 22 March 2017

### **Executive board**

Thierry Jean-Francois  
Beaudemoulin  
Managing Director

Myriam Carmen Lydia Despas

Peter Westphal



## **Independent auditor's report**

---

### **To the shareholders of Immeo North ApS**

#### **Opinion**

We have audited the annual accounts of Immeo North ApS 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

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:



## **Independent auditor's report**

---

- 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.

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.



## **Independent auditor's report**

---

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, 22 March 2017

### **Christensen Kjarulff**

Statsautoriseret Revisionsaktieselskab  
Company reg. no. 15 91 56 41

Iver Haugsted  
State Authorised Public Accountant



## **Company data**

---

### **The company**

Immeo North ApS  
Store Kongensgade 68  
1264 København K

Company reg. no. 29 77 72 92  
Established: 1 July 2006  
Domicile: Copenhagen  
Financial year: 1 January - 31 December  
10th financial year

### **Executive board**

Thierry Jean-Francois Beaudemoulin, Managing Director  
Myriam Carmen Lydia Despas  
Peter Westphal

### **Auditors**

Christensen Kjarulff Statsautoriseret Revisionsaktieselskab



## **Management's review**

---

### **The principal activities of the company**

The principal activities of the company consist of real estate investment property and rental properties in Germany.

### **Development in activities and financial matters**

The gross profit for the year is EUR 399.000 against EUR 1.362.000 last year. The results from ordinary activities after tax are EUR 1.574.000 against EUR 4.007.000 last year. The results for 2016 are significantly affected by the value adjustment of investment property EUR 1.840.001. The management consider the results satisfactory.





## Profit and loss account 1 January - 31 December

---

All amounts in EUR.

<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Gross profit</b>	<b>398.948</b>	<b>1.361.748</b>
Value adjustment of investment property	1.840.001	3.772.635
Other operating costs	-11.818	-19.323
Fair value adjustment of debt concerning investment properties	0	-43.214
<b>Operating profit</b>	<b>2.227.131</b>	<b>5.071.846</b>
Other financial income from group enterprises	521	5.047
1 Other financial costs	-350.416	-289.491
<b>Results before tax</b>	<b>1.877.236</b>	<b>4.787.402</b>
Tax on ordinary results	-302.798	-779.923
<b>Results for the year</b>	<b>1.574.438</b>	<b>4.007.479</b>
<b>Proposed distribution of the results:</b>		
Allocated to results brought forward	1.574.438	4.007.479
<b>Distribution in total</b>	<b>1.574.438</b>	<b>4.007.479</b>



## Balance sheet 31 December

---

All amounts in EUR.

<u>Note</u>	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
<b>Fixed assets</b>		
2 Investment property	30.200.001	28.360.000
Tangible fixed assets in total	30.200.001	28.360.000
<b>Fixed assets in total</b>	<b>30.200.001</b>	<b>28.360.000</b>
<b>Current assets</b>		
Trade debtors	25.640	43.434
Amounts owed by group enterprises	213.980	187.816
Other debtors	29.816	34.249
Accrued income and deferred expenses	11.175	3.730
Debtors in total	280.611	269.229
Available funds	138	144
<b>Current assets in total</b>	<b>280.749</b>	<b>269.373</b>
<b>Assets in total</b>	<b>30.480.750</b>	<b>28.629.373</b>



## Balance sheet 31 December

---

All amounts in EUR.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2016</u>	<u>2015</u>
<b>Equity</b>			
3	Contributed capital	147.676	147.676
4	Results brought forward	10.417.219	8.842.781
	<b>Equity in total</b>	<b>10.564.895</b>	<b>8.990.457</b>
<b>Provisions</b>			
	Provisions for deferred tax	1.607.896	1.305.098
	<b>Provisions in total</b>	<b>1.607.896</b>	<b>1.305.098</b>
<b>Liabilities</b>			
6	Mortgage debt	16.638.161	16.588.063
	Debt to group enterprises	1.300.000	1.304.476
	Long-term liabilities in total	17.938.161	17.892.539
	Prepayments received from customers	70.923	81.890
	Trade creditors	269.942	51.214
	Debt to group enterprises	22.427	5.710
	Corporate tax	1.462	1.280
	Other debts	5.044	243.495
	Accrued expenses and deferred income	0	57.690
	Short-term liabilities in total	369.798	441.279
	<b>Liabilities in total</b>	<b>18.307.959</b>	<b>18.333.818</b>
	 <b>Equity and liabilities in total</b>	 <b>30.480.750</b>	 <b>28.629.373</b>

7 **Mortgage and securities**

8 **Contingencies**



## Notes

---

All amounts in EUR.

	<u>2016</u>	<u>2015</u>
<b>1. Other financial costs</b>		
Financial costs, group enterprises	54.130	5.688
Other financial costs	<u>296.286</u>	<u>283.803</u>
	<u><b>350.416</b></u>	<u><b>289.491</b></u>
<b>2. Investment property</b>		
<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. The rates of return have been fixed on the basis of external brokers' evaluation of the market level.</p>		
<p>Compared to the latest financial year, the methods of measurement used have not been changed.</p>		
<p>The fixing of the market value (book value) corresponds a</p>		
Weighted average rate of return on the net lease income of		5%
<b>3. Contributed capital</b>		
Contributed capital 1 January 2016	<u>147.676</u>	<u>147.676</u>
	<u><b>147.676</b></u>	<u><b>147.676</b></u>
<b>4. Results brought forward</b>		
Results brought forward 1 January 2016	8.842.781	4.835.302
Profit or loss for the year brought forward	<u>1.574.438</u>	<u>4.007.479</u>
	<u><b>10.417.219</b></u>	<u><b>8.842.781</b></u>
<b>5. Proposed dividend for the financial year</b>		
Dividend 1 January 2016	0	380.000
Distributed dividend	<u>0</u>	<u>-380.000</u>
	<u><b>0</b></u>	<u><b>0</b></u>



## Notes

---

All amounts in EUR.

	<u>31/12 2016</u>	<u>31/12 2015</u>
<b>6. Mortgage debt</b>		
Mortgage debt	16.738.579	16.738.579
Capatalized financial costs	<u>-100.418</u>	<u>-150.516</u>
	<b><u>16.638.161</u></b>	<b><u>16.588.063</u></b>
Share of liabilities due after 5 years	<u>13.592.880</u>	<u>13.766.038</u>

## 7. Mortgage and securities

The company is liable for the total mortgage debt to ING Bank, EUR 145.000.000, incurred with the group companies Immeo Hamburg 1 ApS, Immeo Hamburg 2 ApS, Immeo Hamburg 3 ApS and Immeo Hamburg 4 ApS. As security for mortgage debts, EUR 145.000.000, mortgage has been granted on land and buildings representing a book value of EUR 30.200.001 at 31 December 2016.

## 8. Contingencies

### Joint taxation

Immeo Dansk Holding ApS, company reg. no 30535723 being the administration company, the company is subject to the Danish scheme of joint taxation and, as from the financial year 2012, unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

As from 1 July 2012, the company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.



## **Accounting policies used**

---

The annual report for Immeo North ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual report is presented in euro (EUR).

### **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.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

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.



## **Accounting policies used**

---

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.

### **The profit and loss account**

#### **Gross profit**

##### **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 operating income and costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise.

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

##### **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.

##### **Value adjustment of investment property**

Value adjustment of investment property comprises value adjustments of properties at fair value and gain or loss from disposal of properties.

#### **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 tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.



## **Accounting policies used**

---

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses). Actual Danish tax rate is 22 %. Actual German tax rate is 15,8 %.

### **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 properties are measured using a return-based model, by which the expected future cash flows for the next year along with a rate of return determined by an external assessor form the basis for the fair value of the properties. Compared to the latest financial year, the method of measurement used remains unchanged.

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".

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.





## **Accounting policies used**

---

### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Immeo North ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### **Liabilities**

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.

Liabilities concerning investment property are measured at fair value. Value adjustments are recognised in the profit and loss account in the item "Fair value adjustment of debt concerning investment property".

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.