

Industriplast Ejendom ApS

Rued Langgaards Vej 8
2300 København S
CVR no. 30 20 86 68

Annual report for 2018

Adopted at the annual general meeting on 8 May 2019

A handwritten signature in dark ink, appearing to be 'Rued Langgaard', followed by a horizontal line indicating a signature space.

chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Income statement 1 January - 31 December	7
Balance sheet 31 December	8
Statement of changes in equity	10
Notes to the annual report	11
Accounting policies	13

Statement by management on the annual report

The executive board has today discussed and approved the annual report of Industriplast Ejendom ApS for the financial year 1 January - 31 December 2018.

The annual report is prepared in accordance with the Danish Financial Statements Act.

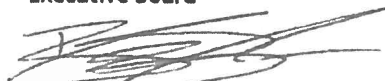
In my opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

In my opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, ~~20 April 2019~~ 8 May, 2019

Executive board



Benjamin Julius Segelman

Independent auditor's report

To the shareholder of Industriplast Ejendom ApS

Opinion

We have audited the financial statements of Industriplast Ejendom ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018 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 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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 about 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Independent auditor's report

- 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.
- 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 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 management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

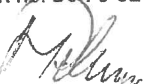
Moreover, it is our responsibility to consider whether management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

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

Copenhagen, 8 May 2019

Ernst & Young
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Henrik Reedtz
State Authorised Public Accountant
mne24830


Rasmus Bloch Jespersen
State Authorised Public Accountant
mne35503

Company details

The company

Industriplast Ejendom ApS
Rued Langgaards Vej 8
2300 København S
CVR no.: 30 20 86 68
Reporting period: 1 January - 31 December 2018
Domicile: Copenhagen

Executive board

Benjamin Julius Segelman

Auditors

Ernst & Young
Godkendt Revisionspartnerselskab
c/o Postboks 250, Osvald Helmuths Vej 4
2000 Frederiksberg

Management's review

Business activities

The company's main activity is to directly and indirectly invest equity in financial and operational properties and property portfolios within the logistics and industrial segments in Denmark and actively manage its ownership interest in order to further develop and realize the value potential of investment.

Business review

The company's income statement for the year ended 31 December shows a profit of DKK 791.173, and the balance sheet at 31 December 2018 shows equity of DKK 19.720.053.

Financing

The property has been refinanced in 2018 and the new loan facility falls due for payment in 2023. Interest is payable quarterly in arrears.

Significant events occurring after end of reporting period

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2018 DKK	2017 DKK
Revenue		4.864.912	4.887.374
Other external expenses		-675.957	-621.695
Gross profit		4.188.955	4.265.679
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment		-1.184.660	-1.184.660
Profit/loss before net financials		3.004.295	3.081.019
Financial costs	1	-1.989.971	-1.514.770
Profit/loss before tax		1.014.324	1.566.249
Tax on profit/loss for the year	2	-223.151	-344.575
Profit/loss for the year		791.173	1.221.674
Distribution of profit			
Proposed dividend for the year		5.000.000	3.000.000
Retained earnings		-4.208.827	-1.778.326
		791.173	1.221.674

Balance sheet 31 December

	<u>Note</u>	<u>2018</u> DKK	<u>2017</u> DKK
Assets			
Land and buildings	3	<u>49.366.136</u>	<u>50.550.796</u>
Tangible assets		<u>49.366.136</u>	<u>50.550.796</u>
Total non-current assets		<u>49.366.136</u>	<u>50.550.796</u>
Other receivables		<u>97.864</u>	<u>0</u>
Receivables		<u>97.864</u>	<u>0</u>
Cash at bank and in hand		<u>6.925.084</u>	<u>4.447.137</u>
Total current assets		<u>7.022.948</u>	<u>4.447.137</u>
Total assets		<u><u>56.389.084</u></u>	<u><u>54.997.933</u></u>

Balance sheet 31 December

	Note	2018 DKK	2017 DKK
Equity and liabilities			
Share capital		10.125.000	10.125.000
Retained earnings		4.595.053	8.803.880
Proposed dividend for the year		5.000.000	3.000.000
Equity		19.720.053	21.928.880
Provision for deferred tax		973.272	750.121
Total provisions		973.272	750.121
Mortgage loans		33.470.914	30.735.327
Total non-current liabilities	4	33.470.914	30.735.327
Short-term part of long-term debt	4	0	480.000
Trade payables		1.198.290	143.590
Payables to related parties		435.355	388.748
Other payables		591.200	571.267
Total current liabilities		2.224.845	1.583.605
Total liabilities		35.695.759	32.318.932
Total equity and liabilities		56.389.084	54.997.933
Contingent assets, liabilities and other financial obligations	5		
Charges and securities	6		
Related parties	7		

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2018	10.125.000	8.803.880	3.000.000	21.928.880
Ordinary dividend paid	0	0	-3.000.000	-3.000.000
Net profit/loss for the year	0	-4.208.827	5.000.000	791.173
Equity at 31 December 2018	10.125.000	4.595.053	5.000.000	19.720.053

Notes

	2018	2017
	DKK	DKK
1 Financial costs		
Financial expenses, group entities	46.607	40.630
Other financial costs	1.943.364	1.474.140
	<u>1.989.971</u>	<u>1.514.770</u>
2 Tax on profit/loss for the year		
Adjustment of deferred tax	223.151	344.575
	<u>223.151</u>	<u>344.575</u>
3 Tangible assets		
	Land and buildings	
Cost at 1 January 2018	62.599.187	
Cost at 31 December 2018	62.599.187	
Depreciation at 1 January 2018	12.048.391	
Depreciation for the year	1.184.660	
Depreciation at 31 December 2018	13.233.051	
Carrying amount at 31 December 2018	<u><u>49.366.136</u></u>	

Notes

4 Long term debt

	Debt at 1 January 2018	Debt at 31 December 2018	Instalment next year	Debt outstanding after 5 years
Mortgage loans	31.215.327	33.470.914	0	0
	<u>31.215.327</u>	<u>33.470.914</u>	<u>0</u>	<u>0</u>

The property has been refinanced in 2018 and the new loan facility falls due for payment in 2023. Interest is payable quarterly in arrears.

5 Contingent assets, liabilities and other financial obligations

The company has provided guarantee for other group entities' mortgage debt, under which the company, irrevocably and unconditionally, jointly and severally is held liable for other entities' payment of mortgage debt and interest, which at the balance sheet date amounted to NOK 374.278 thousand and SEK 746.278 thousand, respectively.

6 Charges and securities

As security for mortgage, the company has granted security on land and buildings with a total carrying amount of DKK 49.366 thousand at 31 December 2018.

Except as described above, the company is not subject to any securities or charges.

7 Related parties

Consolidated financial statements

The Company is included in the group annual report of:
Round Hill Nordic Commercial Investments SCSP
7 Rue du Fort Rheinsheim
Luxembourg

The financial statements are not made available to the public.

Accounting policies

The annual report of Industriplast Ejendom ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected provisions as regards larger entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2018 is presented in DKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Revenue

Rental income arising from operating leases on the company's property is accounted for on a straightline basis over the lease terms and is included in revenue in the income revenue.

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.

Other external expenses

Other external expenses include the year's expenses relating to the company's core activities, including expenses to administration fees and consultancy fees, etc.

Accounting policies

Depreciation and impairment losses

Depreciation and impairment losses comprise the year's depreciation and impairment of property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, realised and unrealised capital/exchange gains and losses on foreign currency transactions, amortisation of mortgage loans.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

The basis for depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life.

The expected useful years of the assets are as follows:

	Useful life
Buildings	50 years

The residual value is determined at the time of acquisition and is reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment is tested for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Accounting policies

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Cash

Cash comprises cash in the bank.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated 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 according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Liabilities

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. Amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.