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Foncière du Triangle d'Or ApS

c/o Harboe & Bille, Lersø Parkallé 107, 2100 København Ø

Company reg. no. 30 54 27 03

Annual report

1 October 2016 - 30 September 2017

The annual report have been submitted and approved by the general meeting on the 3 March 2018.

Mads Harboe Nørring
Chairman of the meeting

Contents

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 EUR 146.940 is the same as the English amount of EUR 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The executive board has today presented the annual report of Foncière du Triangle d'Or ApS for the financial year 1 October 2016 to 30 September 2017.

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 consolidated annual accounts and the annual accounts provide a true and fair view of the assets, the liabilities and the financial position, consolidated and for the company respectively as on 30 September 2017, and of the results of the activities, consolidated and of the company respectively and of consolidated cash flows in the financial year 1 October 2016 to 30 September 2017.

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.

København Ø, 3 March 2018

Executive board

Jeffrey Savoie

Mads Harboe Nørring

Independent auditor's report

To the shareholder of Foncière du Triangle d'Or ApS

Opinion

We have audited the consolidated annual accounts and the annual accounts of Foncière du Triangle d'Or ApS for the financial year 1 October 2016 to 30 September 2017, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes, consolidated and for the company respectively and consolidated cash flow statement. The consolidated annual accounts and the annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated annual accounts and the annual accounts give a true and fair view of the assets, liabilities and financial position, consolidated and for the company respectively at 30 September 2017 and of the results of the company's operations, consolidated and for the company respectively and of consolidated cash flows for the financial year 1 October 2016 to 30 September 2017 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 consolidated annual accounts and 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.

Material uncertainties concerning the enterprise's ability to continue as a going concern

Without qualifying our opinion, we draw attention to note 1 in which the management describes the group's financial situation. We concur with the management's description of the financial situation.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in which the management describes the uncertainty associated with the valuation of the group's investments properties. We concur with the management's description of the uncertainties and the accounting treatment.

The management's responsibilities for the consolidated annual accounts and the annual accounts

The management is responsible for the preparation of consolidated annual accounts and 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 consolidated annual accounts and annual accounts that are free from material misstatement, whether due to fraud or error.

Independent auditor's report

In preparing the consolidated annual accounts and the annual accounts, the management is responsible for evaluating the group's and 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 consolidated annual accounts and the annual accounts, unless the management either intends to liquidate the group or 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 consolidated annual accounts and the annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts and 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 consolidated annual accounts and 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:

- Identify and assess the risks of material misstatement in the consolidated annual accounts and 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 group's and 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.

Independent auditor's report

- Conclude on the appropriateness of the management's preparation of the consolidated annual accounts and 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 group's and 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 consolidated annual accounts and 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 group and the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated annual accounts and the annual accounts, including the disclosures in the notes, and whether the consolidated annual accounts and the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or the business activities within the group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated annual accounts and 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 consolidated annual accounts and 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 consolidated annual accounts and 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 consolidated annual accounts or 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.

Independent auditor's report

Copenhagen, 3 March 2018

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Søren Poulsen
State Authorised Public Accountant
MNE-nr. 10728

Morten Grønbek
State Authorised Public Accountant
MNE-nr. 34491

Company data

The company	Foncière du Triangle d'Or ApS c/o Harboe & Bille Lersø Parkallé 107 2100 København Ø	
	Company reg. no.	30 54 27 03
	Established:	29 February 2008
	Domicile:	Copenhagen
	Financial year:	1 October - 30 September
Executive board	Jeffrey Savoie Mads Harboe Nørring	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Parent company	Paris Premier Properties S.à r.l.	

Company data

Subsidiaries	4 Rue Duphot Paris I ApS, Copenhagen 5 Rue Beaujon Paris VIII ApS, Copenhagen 5 Avenue Bosquet Paris VII ApS, Copenhagen 5 Rue du Boccador Paris VIII ApS, Copenhagen 7 Rue du Boccador Paris VIII ApS, Copenhagen 8 Av. D'Eylau - 7-11 Raymond Poincaré Paris XVI ApS, Copenhagen 11 Rue Saint Dominique Paris VII ApS, Copenhagen 13 Rue Alphonse De Neuville Paris XVI ApS, Copenhagen 15 Rue de Chernoviz Paris XVI ApS, Copenhagen 18 Bis Rue D'Anjou Paris VIII ApS, Copenhagen 18 Rue Godot De Mauroy Paris XI ApS, Copenhagen 19 Rue Francois 1er Paris VIII ApS, Copenhagen 34 Avenue Marceua Paris VIII ApS, Copenhagen 43 Rue Descamps Paris XVI ApS, Copenhagen 61 Avenue Marceau XVI ApS, Copenhagen 63 Avenue Des Champs Elysees Paris VIII (II) ApS, Copenhagen 63 Avenue Des Champs Elysees Paris VIII ApS, Copenhagen 63 Boulevard des batignolles Paris VIII ApS, Copenhagen 66 Rue Pierre Charron Paris VIII ApS, Copenhagen 98 Rue Pierre Demours Paris XVII ApS, Copenhagen 130 Rue du Faubourg Saint Honoré Paris VIII ApS, Copenhagen 48-50 Rue Pierre Charron VIII ApS, Copenhagen Boccador-Tremoille SC, Luxembourg 9 Rue du Boccador SCI, Luxembourg 11-13 Rue Duphot Paris I SC, Luxembourg 8-10 Clement Marot SC, Luxembourg 24-26 Tremoille 12 Clement Marot SC, Luxembourg 28-30 Rue de la Tremoille Paris SNC, Luxembourg 9 Rue de Boccador Paris VIII SARL, Luxembourg 11-13 Rue Duphot Paris I SARL, Luxembourg 28-30 Rue de la Tremoille Paris VIII SARL, Luxembourg

Consolidated financial highlights

EUR in thousands.	2016/17	2015/16	2014/15	2013/14	2012/13
Profit and loss account:					
Net turnover	10.387	17.706	16.766	20.630	21.084
Gross profit	-1.232	4.690	-2.282	12.311	3.281
Results from operating activities	79.002	444.557	190.832	209.130	3.281
Net financials	-14.415	-28.027	-16.060	-15.334	-3.207
Results for the year	45.763	243.771	125.135	173.991	74
Balance sheet:					
Balance sheet sum	1.682.146	1.665.018	1.180.587	957.972	780.657
Equity	832.162	785.916	541.168	418.478	243.700
Cash flow:					
Operating activities	-40.207	2.870	-36.355	-6.928	-4.102
Investment activities	50.902	-53.986	3.401	16.250	0
Financing activities	10.015	46.116	40.071	-14.505	3.979
Cash flow in total	20.710	-5.000	7.117	-5.183	-124
Key figures in %:					
Gross margin	-11,9	26,5	-13,6	59,7	15,6
Profit margin	760,6	2.510,8	1.138,2	1.013,7	15,6
Acid test ratio	31,2	14,1	31,9	13,7	23,5
Solvency ratio	49,5	47,2	45,8	43,7	31,2
Return on equity	5,7	36,7	26,1	52,6	-

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

Management's review

The principal activities of the group

The company's main activity consists in any kind of financial investment, including, but not limited to, buy, own, rent, manage and sell real estate, and any other similar business in accordance with the decision of the executive board.

Uncertainties as to recognition or measurement

The group's properties is primarily development properties and it is therefore difficult to provide a reliable basis for the valuation as the present operational result does not reflect the market value of the properties. The measurement of the group's properties is therefore subject to uncertainty.

Development in activities and financial matters

The results for the group from ordinary activities after tax are t.EUR 45.763. The management consider the results satisfactory.

The executive board has identified that the result of the Luxembourg companies by mistake were not recognized in the accounts for 2015/16. The mistake is corrected in the annual report 2016/17 as well as in the comparatives. The correction does not influence the figures of the financial year of 2016/17 but has affected the result positively for the parent company in 2015/16 by tEUR 2.685 and the equity positively of tEUR 2.685. The consolidated financial statements are affected positively by tEUR 17.568 in the result before taxes, negativelt by tEUR 14.883 in tax on profit for the year and positively by tEUR 2.685 in the equity.

The group's investment properties is measured at fair value. The measurement of fair value is based on estimates of existing leases, and current market rent for similar properties, in the same location and condition. The discount rate used is significant for the valuation of the gruop's investment properties.

Special risks

Financial risks:

The group's cash reserve is limited, however, it is management's expectation that a positive cash flow will be created through renting out and/or sale of the group's properties, whereby the group will be able to meet its liabilities. Further, the group's parent company has provided a letter of support, expiring September 30, 2018, in which they declare to ensure that there will be sufficient funds in the group to cover its current operations

Interest risks:

As the interest bearing debt is of a material amount, changes in the interest rates will have a material direct impact on the profit.

Environmental issues

The group has in our opinion no special impact on the external environment and therefore no specific environmental policy.

Management's review

Know how resources

The group has no employees and therefore no knowledge resources or research and development activities.

The expected development

Based on the above, it is the management's overall expectation that the group can run its day to day business with a satisfactory income in the coming year.

Events subsequent to the financial year

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

Branches abroad

The group's investment properties is established as a branch located in France under the current tax laws. In this regard, the group has acquired an external evaluation of the tax conditions in France. The management concluded, based on the evaluation, that the group does not have any tax obligations which are not included in the balance.

Statement of corporate social responsibility

The copany does not have any policies or activities regarding corporate social responsibility.

Target figures and policies for the under-represented sex

The group has no employees and therefore no target figures and policies for the under-represented sex.

Accounting policies used

The annual report for Foncière du Triangle d'Or ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (large enterprises).

The executive board has identified that the result of the Luxembourg companies by mistake were not recognized in the accounts for 2015/16. The mistake is corrected in the annual report 2016/17 as well as in the comparatives. The correction does not influence the figures of the financial year of 2016/17 but has affected the result positively for the parent company in 2015/16 by tEUR 2.685 and the equity positively of tEUR 2.685. The consolidated financial statements are affected positively by tEUR 17.568 in the result before taxes, negativelt by tEUR 14.883 in tax on profit for the year and positively by tEUR 2.685 in the equity.

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 group 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 group 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.

Accounting policies used

The consolidated annual accounts

The consolidated annual accounts comprise the parent company Foncière du Triangle d'Or ApS and those group enterprises of which Foncière du Triangle d'Or ApS directly or indirectly owns more than 50 % of the voting rights or in other ways has controlling interest. As it appears from the group chart, enterprises of which the group owns between 20 and 50 % of the voting rights and exercises considerable, but not controlling interest are considered associated enterprises.

By the consolidation, elimination of intercompany income and costs, shareholding, intercompany balances and dividends and realised and unrealised gains and losses from transactions among the consolidated enterprises takes place.

Equity interests in group enterprises are settled by the proportional share of the group enterprises' trade value of net assets and liabilities at the date of acquisition.

The profit and loss account

Gross loss

The gross loss comprises rental income and other external costs.

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.

Other external costs

Other external costs comprise costs for administration.

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.

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.

Accounting policies used

Results from equity investments in group enterprises and associated enterprises
After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual associated enterprises are recognised in the profit and loss account at a proportional share of the associated enterprises' results after tax.

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 parent company and the Danish group enterprises are subject to the Danish rules on compulsory joint taxation of the consolidated Danish enterprises. The parent company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

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).

The balance sheet

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

On subsequent recognition, investment properties are measured at 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.

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".

Accounting policies used

Financial fixed assets

Equity investments in group enterprises and associated enterprises

Equity investments in group enterprises and associated enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises and associated enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises and associated enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises and associated enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises and associated enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Accounting policies used

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.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

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.

Foncière du Triangle d'Or ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Foncière du Triangle d'Or 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.

Payable and receivable joint taxation contributions are recognised in the balance sheet as "Receivable corporate tax" or “Payable corporate tax".

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

Deferred tax assets, including the tax value of tax losses eligible for carry over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set off in deferred tax liabilities within the same legal tax unit.

Accounting policies used

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

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.

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.

The cash flow statement

The cash flow statement shows the cash flow of the group for the year, divided in cash flows deriving from operating activities, investment activities, and financing activities respectively, the changes in the liabilities, and the available funds at the beginning and the end of the year respectively.

The effect of cash flow deriving from purchase and sale of enterprises appears separately under cash flow from investment activities. In the cash flow statement, cash flow deriving from purchased enterprises is recognised as of the date of acquisition, and cash flow deriving from sold enterprises is recognised until the sales date.

Cash flow from operating activities

Cash flow from operating activities are calculated as the results for the year adjusted for non-cash operating items, the change in the working capital, and corporate tax paid.

Cash flow from investment activities

Cash flow from investment activities comprises payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible and tangible fixed assets and fixed asset investments respectively.

Cash flow from financing activities

Cash flow from financing activities comprises changes in the size or the composition of the share capital and the costs in this connection. Furthermore, these activities comprise borrowings, instalments on interestbearing debt, and payment of dividend to the shareholders.

Accounting policies used

Available funds

Available funds comprise cash funds with deduction of short-term bank debt and short-term securities with a term of less than 3 months which can easily be converted into cash funds and on which only an insignificant risk of value changes exists.

Profit and loss account 1 October - 30 September

EUR in thousands.

		Group		Parent company	
Note		2016/17	2015/16	2016/17	2015/16
1	Net turnover	10.387	17.706	375	0
	Other external costs	-11.619	-13.016	-354	-365
	Gross results	**-1.232**	**4.690**	**21**	**-365**
	Fair value adjustment of other investment assets	80.234	439.867	0	0
	Income from equity investments in group enterprises	0	0	46.106	244.425
	Other financial income	9	42	0	0
	Other financial costs	-14.424	-28.069	-364	-289
	Results before tax	**64.587**	**416.530**	**45.763**	**243.771**
4	Tax on ordinary results	-18.824	-172.759	0	0
5	**Results for the year**	**45.763**	**243.771**	**45.763**	**243.771**

Balance sheet 30 September

EUR in thousands.

Assets

Note		Group 2017	Group 2016	Parent company 2017	Parent company 2016
	Fixed assets				
6	Investment property	1.634.282	1.623.792	0	0
	Tangible fixed assets in total	1.634.282	1.623.792	0	0
7	Equity investments in group enterprises	0	0	833.358	786.771
	Financial fixed assets in total	0	0	833.358	786.771
	Fixed assets in total	**1.634.282**	**1.623.792**	**833.358**	**786.771**
	Current assets				
	Trade debtors	731	2.110	0	0
	Other debtors	17.990	9.250	0	22
8	Accrued income and deferred expenses	340	0	0	0
	Debtors in total	19.061	11.360	0	22
	Available funds	28.803	29.866	15.738	12.271
	Current assets in total	**47.864**	**41.226**	**15.738**	**12.293**
	Assets in total	**1.682.146**	**1.665.018**	**849.096**	**799.064**

Balance sheet 30 September

EUR in thousands.

Equity and liabilities

Note		Group 2017	Group 2016	Parent company 2017	Parent company 2016
	Equity				
9	Contributed capital	50.038	50.038	50.038	50.038
10	Reserves for net revaluation as per the equity method	0	0	607.624	559.791
11	Results brought forward	782.124	735.878	174.500	176.087
	Equity in total	**832.162**	**785.916**	**832.162**	**785.916**
	Provisions				
	Provisions for deferred tax	246.344	242.207	0	0
	Provisions in total	**246.344**	**242.207**	**0**	**0**
	Liabilities				
12	Mortgage debt	450.078	343.622	0	0
	Long-term liabilities in total	450.078	343.622	0	0

Balance sheet 30 September

EUR in thousands.

Equity and liabilities

Note		Group 2017	Group 2016	Parent company 2017	Parent company 2016
12	Liabilities	48.704	151.121	0	0
	Bank debts	160	21.933	1	0
	Trade creditors	4	77	0	0
	Debt to group enterprises	0	0	16.462	12.680
	Debt to associated enterprises	99.388	114.114	0	0
	Other debts	5.306	4.360	471	468
13	Accrued expenses and deferred income	0	1.668	0	0
	Short-term liabilities in total	153.562	293.273	16.934	13.148
	Liabilities in total	**603.640**	**636.895**	**16.934**	**13.148**
	Equity and liabilities in total	**1.682.146**	**1.665.018**	**849.096**	**799.064**

14 Mortgage and securities

15 Contingencies

Consolidated statement of changes in equity

EUR in thousands.

	Contributed capital	Reserves for net revaluation as per the equity method	Results brought forward	In total
Equity 1 October 2015	50.038	0	491.130	541.168
Share of results	0	0	243.771	243.771
Fair value adjustment of hedging instruments	0	0	977	977
Equity 1 October 2016	50.038	0	735.878	785.916
Share of results	0	0	45.763	45.763
Fair value adjustment of hedging instruments	0	0	483	483
	50.038	**0**	**782.124**	**832.162**

Statement of changes in equity of the parent company

EUR in thousands.

	Contributed capital	Reserves for net revaluation as per the equity method	Results brought forward	In total
Equity 1 October 2015	50.038	315.369	175.764	541.171
Share of results	0	244.422	-654	243.768
Adjustment 1	0	0	977	977
Equity 1 October 2016	50.038	559.791	176.087	785.916
Share of results	0	47.833	-2.070	45.763
Adjustment 1	0	0	483	483
	50.038	**607.624**	**174.500**	**832.162**

Cash flow statement 1 October - 30 September

EUR in thousands.

Note		Group 2016/17	2015/16
	Results for the year	45.763	243.771
16	Adjustments	-48.816	-240.705
17	Change in working capital	-22.739	27.831
	Cash flow from operating activities before net financials	-25.792	30.897
	Cash flow from ordinary activities	-25.792	30.897
	Extraordinary income (cash)	9	42
	Extraordinary expenses (cash)	-14.424	-28.069
	Cash flow from operating activities	**-40.207**	**2.870**
	Purchase of tangible fixed assets	14.105	-66.460
	Purchase of enterprises and activities	36.797	12.474
	Cash flow from investment activities	**50.902**	**-53.986**
	Raising of long-term debts	4.039	44.492
	Other cash flows from financing activities	5.976	1.624
	Cash flow from financing activities	**10.015**	**46.116**
	Changes in available funds	**20.710**	**-5.000**
	Available funds 1 October 2016	7.933	12.933
	Available funds 30 September 2017	**28.643**	**7.933**
	Available funds		
	Available funds	28.643	7.933
	Available funds 30 September 2017	**28.643**	**7.933**

Notes

EUR in thousands.

		Group 2016/17	Group 2015/16	Parent company 2016/17	Parent company 2015/16
1.	**Net turnover**				
	Rental income	10.387	17.706	375	0
		10.387	**17.706**	**375**	**0**

2. Financial Statement uncertainties

The group's cash reserve is limited, however, it is management's expectation that a positive cash flow will be created through renting out and/or selling of the gruop's properties, whereby the group will be able to meet its liabilities. Further, the group's parent company has provided a letter of support, expiring 30 September 2018, in which they declare to ensure that there will be sufficient funds in the group to cover its current operations. The group's properties is primarily development properties and it is therefore difficult to provide a reliable basis for the valuation as the present operational result does not reflect the market value of the properties.

3. Staff costs

The group has employeed 2 employees in the year. None of the employees have been remunerated.

		Group 2016/17	Group 2015/16	Parent company 2016/17	Parent company 2015/16
4.	**Tax on ordinary results**				
	Tax of the results for the year, parent company	18.824	172.759	0	0
		18.824	**172.759**	**0**	**0**

5. Proposed distribution of the results

	2016/17	2015/16
Reserves for net revaluation as per the equity method	47.833	244.425
Allocated from results brought forward	-2.070	-654
Distribution in total	**45.763**	**243.771**

Notes

EUR in thousands.

		Group		Parent company	
		30/9 2017	30/9 2016	30/9 2017	30/9 2016
6.	**Investment property**				
	Cost 1 October 2016	632.910	574.981	0	0
	Additions during the year	14.105	66.460	0	0
	Disposals during the year	-18.986	-8.531	0	0
	Cost 30 September 2017	**628.029**	**632.910**	**0**	**0**
	Fair value adjustment 1 October 2016	990.882	554.956	0	0
	Adjust of the year to fair value	82.055	441.491	0	0
	Adjustment of previous adjustment to fair value	-48.873	0	0	0
	Adjustment to fair value, assets disposed of	-17.811	-5.565	0	0
	Fair value adjustment 30 September 2017	**1.006.253**	**990.882**	**0**	**0**
	Book value 30 September 2017	**1.634.282**	**1.623.792**	**0**	**0**

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.

In calculation the properties's fair value a discount rate between 3,00 - 4,00 has been used.

Notes

EUR in thousands.

	Group		Parent company	
	30/9 2017	30/9 2016	30/9 2017	30/9 2016
7. Equity investments in group enterprises				
Acquisition sum, opening balance 1 October 2016	0	0	225.734	225.734
Cost 30 September 2017	**0**	**0**	**225.734**	**225.734**
Revaluations, opening balance 1 October 2016	0	0	561.035	315.366
Results for the year before goodwill amortisation	0	0	46.106	244.694
Dividend	0	0	0	0
Other movements in capital 1	0	0	483	977
Revaluation 30 September 2017	**0**	**0**	**607.624**	**561.037**
Book value 30 September 2017	**0**	**0**	**833.358**	**786.771**

Group enterprises:

	Domicile	Share of ownership
4 Rue Duphot Paris I ApS	Copenhagen	100 %
5 Rue Beaujon Paris VIII ApS	Copenhagen	100 %
5 Avenue Bosquet Paris VII ApS	Copenhagen	100 %
5 Rue du Boccador Paris VIII ApS	Copenhagen	100 %
7 Rue du Boccador Paris VIII ApS	Copenhagen	100 %
8 Av. D'Eylau - 7-11 Raymond Poincaré Paris XVI ApS	Copenhagen	100 %
11 Rue Saint Dominique Paris VII ApS	Copenhagen	100 %
13 Rue Alphonse De Neuville Paris XVI ApS	Copenhagen	100 %
15 Rue de Chernoviz Paris XVI ApS	Copenhagen	100 %
18 Bis Rue D'Anjou Paris VIII ApS	Copenhagen	100 %
18 Rue Godot De Mauroy Paris XI ApS	Copenhagen	100 %
19 Rue Francois 1er Paris VIII ApS	Copenhagen	100 %
34 Avenue Marceua Paris VIII ApS	Copenhagen	100 %
43 Rue Descamps Paris XVI ApS	Copenhagen	100 %
61 Avenue Marceau XVI ApS	Copenhagen	100 %
63 Avenue Des Champs Elysees Paris VIII (II) ApS	Copenhagen	100 %
63 Avenue Des Champs Elysees Paris VIII ApS	Copenhagen	100 %

Notes

EUR in thousands.

63 Boulevard des batignolles Paris VIII ApS	Copenhagen	100 %
66 Rue Pierre Charron Paris VIII ApS	Copenhagen	100 %
98 Rue Pierre Demours Paris XVII ApS	Copenhagen	100 %
130 Rue du Faubourg Saint Honoré Paris VIII ApS	Copenhagen	100 %
48-50 Rue Pierre Charron VIII ApS	Copenhagen	100 %
Boccador-Tremoille SC	Luxembourg	100 %
9 Rue du Boccador SCI	Luxembourg	100 %
11-13 Rue Duphot Paris I SC	Luxembourg	100 %
8-10 Clement Marot SC	Luxembourg	100 %
24-26 Tremoille 12 Clement Marot SC	Luxembourg	100 %
28-30 Rue de la Tremoille Paris SNC	Luxembourg	100 %
9 Rue de Boccador Paris VIII SARL	Luxembourg	100 %
11-13 Rue Duphot Paris I SARL	Luxembourg	100 %
28-30 Rue de la Tremoille Paris VIII SARL	Luxembourg	100 %

	Group		Parent company	
	30/9 2017	30/9 2016	30/9 2017	30/9 2016
8. Accrued income and deferred expenses				
Other prepayments/deferred income	340	0	0	0
	340	**0**	**0**	**0**
9. Contributed capital				
Contributed capital 1 October 2016	50.038	50.038	50.038	50.038
	50.038	**50.038**	**50.038**	**50.038**
10. Reserves for net revaluation as per the equity method				
Reserves for net revaluation 1 October 2016	0	0	559.791	315.369
Share of results	0	0	47.833	244.422
	0	**0**	**607.624**	**559.791**

Notes

EUR in thousands.

	Group 30/9 2017	Group 30/9 2016	Parent company 30/9 2017	Parent company 30/9 2016
11. Results brought forward				
Results brought forward 1 October 2016	735.878	491.130	176.087	175.764
Profit or loss for the year brought forward	45.763	243.771	-2.070	-654
Fair value adjustment of the hedging instruments	483	977	483	977
	782.124	**735.878**	**174.500**	**176.087**

12. Liabilities

	Instalments first year	Outstanding debt after 5 years	Debt in total 30 Sep 2017	Debt in total 30 Sep 2016
Mortgage debt	48.704	216.787	498.782	-494.743
	48.704	**216.787**	**498.782**	**-494.743**

13. Accrued expenses and deferred income				
Prepayments/deferred income	0	1.668	0	0
	0	**1.668**	**0**	**0**

14. Mortgage and securities

The group's properties with a booked value of t.EUR 1,634,282 has been pledged as collatoral for the group's mortage debt of t.EUR 498,782.

15. Contingencies

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

Notes

EUR in thousands.

Contingencies (continued)

Joint taxation (continued)

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.

	Group 2016/17	2015/16
16. Adjustments		
Other financial income	-9	-42
Other financial costs	14.424	28.069
Value adjustments of assets held for investment	-82.055	-441.491
Tax on ordinary results	18.824	172.759
	-48.816	**-240.705**

17. Change in working capital		
Change in debtors	-7.701	20.405
Change in trade creditors and other liabilities	-15.521	6.449
Other changes in working capital	483	977
	-22.739	**27.831**