

## **GRP 1B ApS**

c/o Nectar Asset Management ApS  
Ewaldsgade 7.  
2200 Copenhagen N, Denmark  
CVR-No. 30 57 65 94

## **Financial Statements**

For the period 1 January – 31 December 2018  
(12 months)  
12th financial year

Adopted at the Annual General Meeting of shareholders  
on 29/5 2019



Chairman

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Please note that for computational reasons, rounding differences to the exact mathematical figures (monetary units, percentages, etc.) may occur.



# 1 Company details

GRP 1B ApS  
c/o Nectar Asset management ApS  
Ewaldsgade 7.  
2200 Copenhagen N, Denmark

## **Supervisory Board**

- Tommas Jakobsen, Chairman
- Charles Sherratt-Davies, Vice chairman

## **Executive Board**

- Tommas Jakobsen
- Charles Sherratt-Davies

## **Shareholders holding 5 % or more of the share capital or the voting rights**

German Retail Luxco S.à r.l., Helios Building, Office no.0.19, 12, rue Guillaume Kroll, 1882 Luxembourg

## **Ultimate parent company**

MELF S.à r.l., Helios Building, Office no.0.19, 12, rue Guillaume Kroll, 1882 Luxembourg

## 2 Statement by the Supervisory and Executive Boards on the Financial Statements

The Supervisory and Executive Boards have presented the Financial Statements of GRP 1B ApS (in the following "the company") for the year ended 31 December 2018. The Financial Statements were discussed and adopted on today's date.

The Financial Statements have been presented in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for financial statements.

We consider that the accounting policies used are appropriate and the accounting estimates made are reasonable. To the best of our belief, the Financial Statements include the information which is relevant for an assessment of the Company's financial position. Against this background, it is our opinion that the Financial Statements give a true and fair view of the Company's assets and liabilities, financial position, and results of operations and cash flow for the year ended 31 December 2018.

We believe that the Management's Review contains a fair review of the affairs and conditions referred to therein.

We recommend that the Financial Statements be adopted by the Annual General Meeting of shareholders.

Copenhagen, \_\_\_\_\_ 2019

Executive Board

\_\_\_\_\_  
Tommas Jakobsen

\_\_\_\_\_  
Charles Sherratt-Davies

Supervisory Board

\_\_\_\_\_  
Tommas Jakobsen, Chairman

\_\_\_\_\_  
Charles Sherratt-Davies, Vice chairman

# 3 Financial highlights

## 5-year summary

	2018	2017	2016	2015	2014
	EUR	EUR	EUR	EUR	EUR
<b>Key figures (in EUR, except per share data)</b>					
<b>Statement of comprehensive income</b>					
Revenue	926,860	835,347	1,175,720	1,025,689	977,791
Gross profit	672,588	298,619	828,317	831,344	711,896
Profit before net financials					
(EBIT)	3,546,535	256,113	1,042,953	530,877	-877,403
Net financials	-421,314	-401,988	-350,381	-610,902	-831,480
Total comprehensive					
(expense)/income for the year	3,125,221	-145,875	692,572	-80,025	-1,712,109
<b>Statement of financial position</b>					
Total assets	14,712,285	12,663,093	9,330,027	7,584,457	7,301,298
Shareholders' equity	-3,901,876	-7,027,098	-6,881,223	-7,573,795	-7,493,770
<b>Other</b>					
Number of employees	0	0	0	0	0
<b>Ratio in %</b>					
Rate of return (Profit/loss before net financials x 100/total assets)	24.11%	2.02%	11.18%	7.00%	-12.02%
Equity ratio (Shareholders' equity x 100/ total assets)	-26.52%	-55.49%	-73.75%	-99.86%	-102.64%

Financial highlights are prepared in accordance with International Financial Standards, cf. Note 1 "Accounting policies".

Ratios are computed in accordance with Guidelines and Financial ratios issued by the Danish Society of Financial Analysts.

# 4 Management's review

## **Business activities and mission**

The Company's main objective is property investment.

## **Business review**

The Company recorded rental income of EUR 847,423 for the year ended 31 December 2018 (2017: EUR 759,522).

The Company's investment properties are recorded at fair value and has been valued at EUR 1,521,873 (2017: EUR 9,781,056).

## **Recognition and measurement uncertainties**

The Company's investment properties are recognised in the financial statements at market value based on an internal return based assessment model. This model contains an estimate of the property's future return and the expected return requirement. The property's future returns are estimated based on existing leases and experience.

## **Going concern**

The Company has lost its share capital but expects to be able to restore it through future earnings. The parent companies, MELF S.à r.l. and MELF Investment Holding S.à r.l., have issued a subordination letter for a 12-month period from the signing date of the financial statements, covering all the loans they have provided to the Company. MELF Investment Holding S.à r.l. has also issued a letter of support confirming it will provide financial support to the Company if it has insufficient cash to pay its operating expenses for a 12-month period from the signing date of the financial statements.

During the year the Company had a net cash outflow of EUR -1,136,076 and cash at bank at the balance sheet date of EUR 132,678.



Management closely monitors the cash requirements of the Company and works with its advisors to forecast and manage liquidity requirements over the life of its investment activities. Management has reviewed the forecasted cash flows and is confident that there are no liquidity issues and that the Company will continue to meet its liabilities as they fall due.

## **Financial position**

The result for the year is as expected.

## **Future developments**

The Company expects a result for next year, before adjustment on property valuations, on par with that reported in 2018.

## **Subsequent events**

The Company has transferred its assets held for sale in the first quarter of 2019. No other events have occurred after the financial year-end which could significantly affect the Company's financial position.

## 5 Statement of profit or loss and other comprehensive income

	Notes	1.1.2018 – 31.12.2018	1.1.2017 – 31.12.2017
		EUR	EUR
Revenue	4	926,860	835,347
Expenses related to rental activity		-254,272	-536,728
<b>Gross profit/(loss)</b>		<b>672,588</b>	<b>298,619</b>
Fair value adjustment	5	2,485,065	106,444
Profit/(Loss) on disposal of investment property		497,534	0
Other external expenses		-108,652	-148,950
<b>Profit/(Loss) before net financial result</b>		<b>3,546,535</b>	<b>256,113</b>
Other financial expenses	6	-421,314	-401,988
<b>Profit/(Loss) before tax</b>		<b>3,125,221</b>	<b>-145,875</b>
Tax of continuing operations for the year	7	0	0
<b>Net profit/(loss) for the year</b>		<b>3,125,221</b>	<b>-145,875</b>
<b>Total comprehensive income/(expense) for the year</b>		<b>3,125,221</b>	<b>-145,875</b>
<b>Total comprehensive income/(expense) for the year attributable to: Equity holders of the company</b>		<b>3,125,221</b>	<b>-145,875</b>

## 6 Statement of financial position

Assets	Notes	31.12.2018	31.12.2017
		EUR	EUR
<b>A. Non-current assets</b>			
I. Investment property	8	1,521,873	9,781,056
<b>Total non-current assets</b>		<b>1,521,873</b>	<b>9,781,056</b>
<b>B. Current Assets</b>			
I. Investment property			
1. Assets held for sale		11,663,600	0
2. Other investments		722,065	722,065
II. Receivables			
1. Trade receivables		8,023	122,864
2. Receivables from group enterprises	12	661,281	661,281
3. Financial assets	10	9	1,344
4. Prepayments		0	0
5. Other receivables		2,755	105,729
<b>Total receivables</b>		<b>13,057,735</b>	<b>1,613,284</b>
II. Cash		132,678	1,268,754
<b>Total current assets</b>		<b>13,190,412</b>	<b>2,882,038</b>
<b>Total assets</b>		<b>14,712,285</b>	<b>12,663,093</b>

Equity and liabilities	Notes	31.12.2018	31.12.2017
		EUR	EUR
<b>A. Shareholders' equity</b>			
I. Share capital		363,717	363,717
II. Retained earnings/accumulated loss		-4,265,593	-7,390,815
<b>Total shareholders' equity</b>		<b>-3,901,876</b>	<b>-7,027,098</b>
<b>B. Non-current liabilities</b>			
I. Loans and borrowings	9	4,983,808	5,112,871
II. Payables to group enterprises	12	3,126,493	2,170,493
<b>Total non-current liabilities</b>		<b>8,110,301</b>	<b>7,283,364</b>
<b>C. Current liabilities</b>			
I. Current portion of non-current liabilities	9	171,944	171,944
II. Trade payables		118,527	511,026
III. Payables to group enterprises	12	10,199,600	11,702,818
IV. Other payables		0	0
V. Accruals		13,009	14,719
VI. Deferred income		780	6,320
<b>Total current liabilities</b>		<b>10,503,860</b>	<b>12,406,827</b>
<b>Total liabilities</b>		<b>18,614,161</b>	<b>19,690,191</b>
<b>Total equity and liabilities</b>		<b>14,712,285</b>	<b>12,663,093</b>

## 7 Statement of cash flows

	1.1.2018– 31.12.2018	1.1.2017– 31.12.2017
	EUR	EUR
<b>Profit before net financial result</b>	<b>3,546,535</b>	<b>256,113</b>
Fair value adjustments, non-current assets	-2,485,065	-106,444
Lease incentives and capital expenditures	-243,824	-2,596,621
Financial expenses	-421,314	-401,988
Amortisation of loan costs	56,164	53,940
<b>Changes in:</b>		
Assets held for Sale	-11,663,600	0
Sale of properties on cost basis	10,988,072	0
Trade and other receivables	219,149	-99,695
Current liabilities	-399,747	369,504
<b>Cash flows from operating activities</b>	<b>-403,630</b>	<b>-2,525,191</b>
Repayment to bank	-185,277	227,308
Repayment to group enterprises	-547,218	2,405,353
<b>Cash flows from financing activities</b>	<b>-732,446</b>	<b>2,632,661</b>
<b>Net cash flow for the year</b>	<b>-1,136,076</b>	<b>107,470</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents at 1 January	1,268,754	1,161,284
Net cash flow for the year	-1,136,076	107,470
<b>Cash and cash equivalents at 31 December</b>	<b>132,678</b>	<b>1,268,754</b>

## 8 Statement of changes in equity

	Share capital	Retained earnings/ Accumulated loss	Total
	EUR	EUR	EUR
<b>Shareholders' equity at 1 January 2017</b>	<b>363,717</b>	<b>-7,244,940</b>	<b>-6,881,223</b>
Profit and loss	0	-145,875	-145,875
<b>Total equity at 31 December 2017</b>	<b>363,717</b>	<b>-7,390,815</b>	<b>-7,027,098</b>
<b>Shareholders' equity at 1 January 2018</b>	<b>363,717</b>	<b>-7,390,815</b>	<b>-7,027,098</b>
Profit and loss	0	3,125,221	3,125,221
<b>Total equity at 31 December 2018</b>	<b>363,717</b>	<b>-4,265,593</b>	<b>-3,901,876</b>

# 9 Notes

## **Note 1 Accounting policies**

The financial statements of GRP 1B ApS have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for financial statements, as laid down in the IFRS order issued in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The financial statements are presented in Euros (EUR).

The accounting policies for these financial statements are consistent with those applied last year.

## **New and revised standards and bases for conclusion**

The adoption of the new and amended IFRS and IFRIC interpretations has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements.

## New and revised standards and bases for conclusion which have yet to take effect

The IASB and IFRIC have issued a number of standards and interpretations with an effective date during or after the date of these financial statements:

New currently effective requirements	Effective date
IFRS 15: Revenue from Contracts with Customers	1 January 2018
IFRS 9: Financial Instruments	1 January 2018
Classification and Measurement of Share-based Payment Transactions	1 January 2018
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018
Transfers of Investment Property (Amendments to IAS 40)	1 January 2018
Annual Improvements to IFRSs 2014-2016 Cycle – various standards	1 January 2018
IFRIC 22: Foreign Currency Transactions and Advance Consideration	1 January 2018

  

Forthcoming requirements	Effective date
IFRS 16: Leases	1 January 2019
IFRIC 23: Uncertainty over Income Tax Treatments	1 January 2019
Prepayment Features with Negative Compensation (Amendments to IFRS 9)	1 January 2019
Long-term interests in Associates and Joint Ventures (Amendments to IAS 28)	1 January 2019
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)	1 January 2019
Improvements to IFRS 2015-2017 (IFRS 3, IFRS 11, IAS 12, IAS 23)	1 January 2019
Amendments References to the Conceptual Framework in IFRS	1 January 2020
IFRS 17: Insurance Contracts	1 January 2021

The Directors do not expect that the adoption of these Standards and Interpretations will have material impact on the financial statements of the Company in future periods.

## Statement of profit and loss and other comprehensive income

### Revenue

Rental income from investment property is accrued and recognised in accordance with signed contracts.

Income arising from expenses recharged to tenants is recognised in the period in which the expense can be contractually recovered. Service charges and such receipts are included gross of the related costs in revenue.



## **Other external expenses**

Other external expenses comprise of administrative expenses incurred.

## **Net financial result**

Financial income and expenses are recognised in the statement of profit and loss and other comprehensive income in the reporting period they relate to. Net financials include interest income and expenses, realised capital and exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

## **Tax**

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments less the share of the tax for the period that concerns the changes in equity.

Deferred taxes related to items recognised directly in equity are taken directly to equity.

The Company and all Danish group enterprises are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish enterprises in proportion to their taxable income (full allocation method).

## **Statement of financial position**

### **Investment property**

Investment property is property held on a long-term basis with the purpose of earning rental income and increases in value and which are not held for sale.

Investment properties are initially measured at cost. After initial recognition, investment properties are measured at fair value based on an internal return based assessment model. The model used is a discounted cash flow model with a five year forecast.

The market value is the estimated amount for which a property is expected to be exchanged between willing parties, at the date of valuation, in an arm's length transaction in which the parties act knowledgeably, prudently and voluntarily.

### **Receivables**

Receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the Company

will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

### **Prepayments**

Prepayments recognised under "Assets" comprise prepaid expenses relating to subsequent reporting periods.

### **Cash and short term deposits**

Cash and short term deposits in the statement of financial position comprise cash at bank and short term deposits with an original maturity of less than three months.

### **Income taxes**

Current tax charges are recognised in the statement of financial position as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior-year taxable income and tax paid in advance.

Provisions for deferred tax are calculated at 15.825 % of all temporary differences between carrying amounts and tax bases, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set-off against deferred liabilities.

### **Financial liabilities**

Financial liabilities are recognised at the proceeds received net of transaction costs incurred upon the raising of the loan. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Other debt is subsequently measured at amortised cost corresponding to the nominal unpaid debt.

### **Deferred income**

Deferred income is recognised as a liability and comprises of payments received for income relating to subsequent reporting periods.

## **Statement of cash flows**

The cash flow statement shows the company's net cash flows, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are presented using the indirect method and are made up as the net profit or loss for the year, adjusted for non-cash operating items, changes in working capital, paid financial and extraordinary expenses and paid income taxes.

Cash flows from investing activities comprise payments related to additions and disposals of fixed assets as well as the provision intercompany loans.

Cash flows from financing activities comprise dividends paid to shareholders, capital increases and reductions, borrowings and repayments of interest-bearing debt.

Cash and cash equivalents comprise cash and short-term securities in respect of which the risk of changes in value is insignificant.

## **Note 2 Going concern**

These financial statements have been prepared on going concern basis.

The Company has lost its share capital but expects to be able to restore it through future earnings. The parent companies, MELF S.à r.l. and MELF Investment Holding S.à r.l., have issued a subordination letter for a 12-month period from the signing date of the financial statements, covering all the loans they have provided to the Company. MELF Investment Holding S.à r.l. has also issued a letter of support confirming it will provide financial support to the Company if it has insufficient cash to pay its operating expenses for a 12-month period from the signing date of the financial statements.

Management closely monitors the cash requirements of the Company and works with its advisors to forecast and manage liquidity requirements over the life of its investment activities. Management has reviewed the forecasted cash flows and is confident that there are no liquidity issues and that the Company will continue to meet its liabilities as they fall due.

## **Note 3 Assumptions and estimates**

For purposes of the preparation of the financial statements, it is necessary that management prepares accounting estimates affecting the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from the estimates made.

The Company's investment properties are recognised in the financial statements at market value based on an internal return based assessment model. This model contains an estimate of the property's future return and the expected return requirement. The property's future returns are estimated based on existing leases and experience.

The other significant assumptions utilised in calculating the market value of investment properties are:

- Inflation of 1.5 % per annum;
- Rental income linked to CPI (adjustment on movement of 10 % in the index)

### **Sensitivity analysis – Discount rate**

As a result of the valuation methodology adopted, the value of the real estate assets is sensitive to movements in the market derived capitalisation rate, contracted rental income and discount rate. An increase or decrease in the capitalisation rate will decrease or increase the fair value of the company's real estate assets. An increase or decrease in rental income will increase or decrease the fair value of the company's real estate assets. An increase or decrease to the discount rate will decrease or increase the fair value of the company's real estate assets. There are interrelationships between the unobservable inputs as they are determined by market conditions; an increase in more than one input could magnify or mitigate the impact on the valuation.

### **Fair value**

The Company measures certain financial instruments such as derivatives, and non-financial assets such as investment property, at fair value at the end of each reporting period. Also, fair values of financial instruments measured at amortised costs are disclosed in the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either

- in the principal market for the asset or liability or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The Company must be able to access the principal or the most advantageous market at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs significant to the fair value measurement as a whole:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## Note 4 Rental and related income

	2018	2017
	EUR	EUR
Rental income	847,423	759,522
Service charge income	74,745	74,511
Other property income	4,692	1,315
<b>Revenue</b>	<b>926,860</b>	<b>835,347</b>

Rental and related income fully relates to rent attributable to the year ended 31 December 2018. Spaces are leased out under lease agreements of various expiry terms. Lease agreements specify the rent, the rights and obligations of the lessor and the lessee, including notice and renewal options, as well as service and operating cost charges.

The Company leases out all of its investment properties under operating leases which are non-cancellable and have average lease terms of 6.44 years (2017: 5.49 years). The Company's leases typically include a clause either to enable upward revision of the rental charge on an annual basis based on a fixed annual uplift, inflation or local equivalent.

Future minimum rental receivables under non-cancellable operating leases as at 31 December 2017, analysed by the period in which they fall due are as follows:

	2018	2017
	EUR	EUR
First year	895,309	1,133,718
Second up to and including fifth year	3,156,148	4,020,922
Sixth and subsequent years	4,597,396	3,567,593
	<b>8,648,853</b>	<b>8,722,233</b>

## Note 5 Fair value adjustment

	2018	2017
	EUR	EUR
<b>Fair value adjustment of property</b>	<b>2,485,065</b>	<b>106,444</b>

## Note 6 Other financial expenses

	2018	2017
	EUR	EUR
Interest payable, group enterprises	206,782	194,698
Interest payable, exchange losses and similar expenses	214,532	207,291
	<b>421,314</b>	<b>401,988</b>

## Note 7 Income taxes

Tax for the year	2018	2017
	EUR	EUR
Current income tax charge	0	0
Deferred income tax	0	0
<b>Total tax for the year</b>	<b>0</b>	<b>0</b>

Reconciliation of effective tax rate	2018	2017
	EUR	EUR
Profit/(Loss) before tax	3,125,221	-145,876
Expected tax rate	22%	22%
Expected effort for income tax	-687,549	32,093
Deviation of foreign tax rates from expected tax rate	192,982	-9,008
Tax effect on deferred tax assets and tax losses for which no deferred tax asset is recognised	40,860	14,510
Tax effect on utilisation of deferred tax assets and tax losses for which no deferred tax asset is recognised	8,888	8,536
Other effects	24,818	39
<b>Effective income tax</b>	<b>0</b>	<b>0</b>

Breakdown of deferred tax liabilities	2018	2017
	EUR	EUR
Financial instruments	4,633	13,521
Set-off	-4,633	-13,521
<b>Total deferred tax liabilities</b>	<b>0</b>	<b>0</b>

Breakdown of deferred tax assets	2018	2017
	EUR	EUR
Investment property	310,945	620,260
Financial instruments	126	169
Tax losses carried forward	142,510	110,128
set-off	-4,633	-13,521
thereof unrecognised	-448,948	-717,037
<b>Total deferred tax assets</b>	<b>0</b>	<b>0</b>

## Note 8 Investment property

Cost at 31/12/2018	Investment property
	<b>EUR</b>
Balance at 1/1/2018	17,906,628
Lease incentives and leasing costs	-15,422
Capital Expenditures	259,246
<b>Balance at 31/12/2018</b>	<b>18,150,452</b>

  

Value adjustments	Investment property
	<b>EUR</b>
Balance at 1/1/2018	-7,403,507
Value adjustments in the year	2,485,065
Disposals	-10,988,072
<b>Write-downs at 31/12/2018</b>	<b>-15,906,514</b>
<b>Carrying amount at 31/12/2018</b>	<b>2,243,938</b>

  

Cost at 31/12/2017	Investment property
	<b>EUR</b>
Balance at 1/1/2017	15,310,007
Additions in the period	-18,191
Lease incentives and leasing costs	2,614,812
<b>Balance at 31/12/2017</b>	<b>17,906,628</b>

  

Value adjustments	Investment property
	<b>EUR</b>
Balance at 1/1/2017	-7,509,952
Value adjustments in the year	106,445
<b>Write-downs at 31/12/2017</b>	<b>-7,403,507</b>
<b>Carrying amount at 31/12/2017</b>	<b>10,503,121</b>



## Fair value hierarchy

The following table shows an analysis of the fair value of investment property recognised in the statement of financial position by level of the fair value hierarchy<sup>1</sup>.

As at 31 December 2018	Level 1	Level 2	Level 3	Total fair value
	EUR	EUR	EUR	EUR
<b>Investment property</b>	<b>0</b>	<b>0</b>	<b>2,243,938</b>	<b>2,243,938</b>
<b>Investment property held for sale</b>	<b>11,663,600</b>	<b>0</b>	<b>0</b>	<b>11,663,600</b>

As at 31 December 2017	Level 1	Level 2	Level 3	Total fair value
	EUR	EUR	EUR	EUR
<b>Investment property</b>	<b>0</b>	<b>0</b>	<b>10,503,121</b>	<b>10,503,121</b>

## Note 9 Payables to bank and credit institutions

Breakdown of payables to bank and credit institutions in the financial position	2018	2017
	EUR	EUR
Non-current liabilities	4,983,808	5,112,871
Current liabilities	171,944	171,944
<b>Carrying amount at 31 December</b>	<b>5,155,752</b>	<b>5,284,815</b>

Payables to bank and credit institutions fall due for payments as follows	2018	2017
	EUR	EUR
Within 1 year	171,944	171,944
Between 1 to 5 years	4,983,808	5,112,871
Over 5 years	0	0
<b>Carrying amount at 31 December</b>	<b>5,155,752</b>	<b>5,284,815</b>

<sup>1</sup> See note 3 for the explanation of the fair value hierarchy

## **Note 10 Financial risks and financial instruments**

### **Foreign exchange risks**

As the Company's income and costs are primarily in its reporting currency, EUR, the Company is not exposed to any significant currency risks.

### **Interest rate risks**

The Company is exposed to interest rate risks relating to fluctuations in interest levels in Euroland and Denmark due to balances held at the bank. The primary exposure is related to Euribor and Cibur.

The Company limits interest rate risk by taking out only fixed rate loans.

### **Credit risk**

It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis, with the result that the Company's exposure to bad debts is minimised. There are no significant concentrations of credit risk within the Company. With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, The Company's exposure to credit risk arises from any default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Credit risks arising from operating activities relate mainly to the non-payment of rentals by tenants of the properties held by the Company. Credit risks related to the placement of liquid funds (counterparty credit risks) are minimised by making agreements only with the most reputable domestic and international banks and financial institutions.

### **Capital Management**

The primary objective of the Company's capital management is to ensure it remains within its quantitative banking covenants and maintains a strong credit rating.

The Company monitors capital primarily using a loan to value ratio, which is calculated as the amount of outstanding bank debt divided by the valuation of the investment property. The Company's policy is to keep the average loan to value ratio of the Company lower than 50 %.

During the period the Company did not breach any of its loan covenants, nor did it default on any other of its obligations under its loan agreements.

The loans are also covered by the letter of support provided by the parent company<sup>2</sup>.

	2018	2017
	EUR	EUR
Carrying amount of bank loans	5,155,752	5,284,815
Unamortised borrowing costs	29,274	85,438
<b>Principal amount of bank loan</b>	<b>5,185,026</b>	<b>5,370,253</b>
Valuation of investment property and property held for sale	13,907,538	10,503,121
Loan to value ratio	37%	50%

### Liquidity risks

The Company monitors its risk to a shortage of funds using cash flow forecasting techniques focused on the maturity profile of its debt commitments, operational cash flow and capital expenditure.

The subsequent table summarises the maturity profile of the Company's financial liabilities as at 31 December based on contractual undiscounted payments.

At 31 December 2018	On demand	less than 1 year	1 to 5 years	> 5 years	Total
	EUR	EUR	EUR	EUR	EUR
Loans and borrowings	0	171,944	4,983,808	0	5,155,752
Payables to group enterprises	0	10,199,600	3,126,493	0	13,326,093
Trade and other payables	0	118,527	0	0	118,527
Accruals	0	13,009	0	0	13,009
Deferred Income	0	780	0	0	780
	<b>0</b>	<b>10,503,860</b>	<b>8,110,301</b>	<b>0</b>	<b>18,614,161</b>

At 31 December 2017	On demand	less than 1 year	1 to 5 years	> 5 years	Total
	EUR	EUR	EUR	EUR	EUR
Loans and borrowings	0	171,944	5,112,871	0	5,284,815
Payables to group enterprises	0	11,702,818	2,170,493	0	13,873,311
Trade and other payables	0	511,026	0	0	511,026
Accruals	0	14,719	0	0	14,719
Deferred Income	0	6,320	0	0	6,320
	<b>0</b>	<b>12,406,827</b>	<b>7,283,364</b>	<b>0</b>	<b>19,690,191</b>

<sup>2</sup> See note 2.

## Fair values

A comparison of the carrying value of financial instruments included in the Company's financial statements to their fair value is included below by class of instrument.

The fair value of the financial assets and liabilities are included at an estimate of the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Cash, trade and other receivables, and trade and other payables approximate their carrying amounts due to the short-term maturities of these instruments.

The fair value of mortgage debt is estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities. The fair value approximates their carrying amounts gross of unamortised transaction costs (level 2 fair value hierarchy).

The fair value of payables to group enterprises is estimated by discounting future cash flows using rates currently available for debt on similar terms and remaining maturities.

Financial assets	2018	
	Carrying amount	Fair value
	EUR	EUR
Trade and other receivables	10,779	10,779
Receivables from group enterprises	661,281	661,281
Financial assets	9	9
Cash	132,678	132,678
<b>Loans and receivables</b>	<b>804,747</b>	<b>804,747</b>

  

Financial liabilities	2018	
	Carrying amount	Fair value
	EUR	EUR
Secured bank loans	5,155,752	5,185,026
Payables to group enterprises	13,326,093	13,326,093
Trade and other payables	118,527	118,527
Accruals	13,009	13,009
Deferred Income	780	780
<b>Financial liabilities held</b>	<b>18,614,161</b>	<b>18,643,435</b>

## Note 11 Security for loans

The following assets have been put up as security of the Company's debt:

	2018	2017
	EUR	EUR
<b>Investment property carrying amount</b>	<b>2,243,938</b>	<b>10,503,121</b>

The Company guarantees the obligations under the Hypo Noe Gruppe Bank AG credit agreement with the subsidiaries of this parent company, German Retail Luxco S.à r.l.

Some of the Company's bank accounts are pledged with Hypo Noe Gruppe Bank AG, the amount held in these bank accounts as of 31 December 2018 amounted to EUR 5,266 (2017: EUR 41,306).

## Note 12 Related parties

Tommas Jakobsen and Charles Sherratt-Davies are members of the Supervisory Board of GRP 1B ApS.

None of the directors were paid by GRP 1B ApS in the year. The Directors are employed by Nectar Asset Management ApS, which renders management services to GRP 1B ApS. The amount charged by Nectar Asset Management ApS in the year to 31 December 2018 for services rendered was EUR 3,352 (2017: EUR 3,380).

The Company does not have any employees.

The ultimate parent companies, MELF S.à r.l. (Luxembourg) and MELF Investment Holding S.à r.l., have issued a subordination letter for a 12-month period from the signing date of the financial statements, covering all the loans they have provided to the Company.

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

Balances with group enterprises in EUR:

	Principal Amount	Balance outstanding 31 Dec 2018	Rate of interest	Maturity
	EUR	EUR	%	
<b>Payable fall due for payment within 5 years:</b>				
MELF Investment Holding S.à r.l.	2,170,493	2,170,493	8.50%	31 Dec 2021
MELF S. à r.l.	956,000	956,000	0.00%	14 Jun 2022
<b>Payable fall due for payment within 1 year:</b>				
MGM 1E ApS	18,761	18,761	0%	On demand
MGM 1F ApS	1,791	1,791	0%	On demand
GRP 1A ApS	22,918	22,918	0%	On demand
GRP 1C ApS	94,815	94,815	0%	On demand
GRP 1D ApS	462,990	462,990	0%	On demand
GRP 1E ApS	461,978	461,978	0%	On demand
GRP 1F ApS	399,533	399,533	0%	On demand
GRP 1H ApS	671,341	671,341	0%	On demand
GRP 1I ApS	694,773	694,773	0%	On demand
MELF Investment Holding S.à r.l.	-46,665	-46,665	0%	On demand
MELF S.à r.l.	7,389,964	7,389,964	0%	21 Jul 2019
MELF S.à.r.l.	27,401	27,401	2.5%	On demand
<b>Receivables:</b>				
GRP 1A ApS	209,398	209,398	0%	On demand
GRP 1C ApS	482	482	0%	On demand
GRP 1D ApS	108,011	108,011	0%	On demand
GRP 1E ApS	189,422	189,422	0%	On demand
GRP 1F ApS	47,281	47,281	0%	On demand
GRP 1H ApS	12,174	12,174	0%	On demand
GRP 1I ApS	94,513	94,513	0%	On demand

## Note 13 Assets held for sale

	2018	2017
	EUR	EUR
<b>Property held for sale</b>	<b>11,663,600</b>	<b>0</b>

## Note 14 Profit/(loss) on disposal of investment property

	2018	2017
	EUR	EUR
Sales proceeds	11,663,600	0
Cost basis	-10,988,072	0
Sales costs	-177,995	0
	<b>497,534</b>	<b>0</b>

## Note 15 Subsequent events

The Company has transferred its assets held for sale in the first quarter of 2019. No other events have occurred after the financial year-end which could significantly affect the Company's financial position.

## Note 16 Comparative figures

Some comparative figures have been changed for presentational purposes only. The changes made have had no effect on either profit or loss.