


## **GRP 1A ApS**

c/o Nectar Asset Management ApS  
Ewaldsgade 7.  
2200 Copenhagen N, Denmark  
CVR-No. 30 57 66 24

## **Financial Statements**

For the period 1 January – 31 December 2019  
(12 months)  
13th financial year

Adopted at the Annual General Meeting of shareholders  
on 7/7 2020

  
Chairman

Helene Egede Scotwin  
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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 1A ApS  
c/o Nectar Asset Management ApS  
Ewaldsgade 7.  
2200 Copenhagen N, Denmark

## **Company registration number**

CVR-No. 30 57 66 24

## **Supervisory Board**

- Tommas Jakobsen, Chairman
- Peer Thomas Borg, Vice Chairman

## **Executive Board**

- Tommas Jakobsen
- Peer Thomas Borg

## **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 1A ApS (in the following "the Company") for the year ended 31 December 2019. 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.

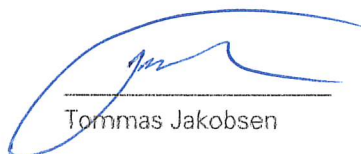
We consider that the accounting policies used are appropriate and the accounting estimates made are reasonable. To the best of our belief, the Financial Statements include the information which is relevant for an assessment of the Company's financial position. Against this background, it is our opinion 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 2019.

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, 02.07. 2020

Executive Board

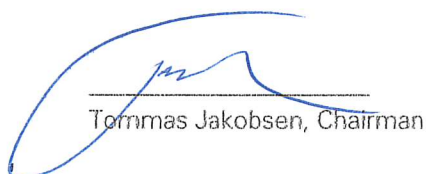


Tommas Jakobsen

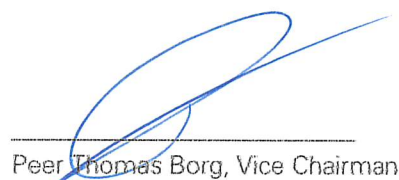


Peer Thomas Borg

Supervisory Board



Tommas Jakobsen, Chairman



Peer Thomas Borg, Vice Chairman

# 3 Financial highlights

## 5-year summary

	2019	2018	2017	2016	2015
	EUR	EUR	EUR	EUR	EUR
<b>Key figures (in EUR, except per share data)</b>					
<b>Statement of comprehensive income</b>					
Revenue	271,876	309,968	286,920	296,470	388,231
Gross profit	95,511	23,442	-201,790	-78,248	106,005
Profit before net financials (EBIT)	340,489	220,191	-134,312	-327,979	-312,727
Net financials	-56,217	-55,454	-55,403	-294,542	-531,651
Total comprehensive (expense)/income for the year	284,272	164,737	-189,715	-626,871	-844,378
<b>Statement of financial position</b>					
Total assets	3,182,578	1,306,291	1,046,966	1,465,580	1,191,391
Shareholders equity	-11,780,492	-12,064,764	-12,229,501	-12,039,786	-11,412,915
<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)	10.70%	16.86%	-12.83%	-22.38%	-26.25%
Equity ratio (Shareholders equity x 100/total assets)	-370.16%	-923.59%	-1,168.09%	-821.50%	-957.95%

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 197,263 for the year ended 31 December 2019 (2018: EUR 231,434).

The Company's investment properties are recorded at fair value and has been valued at EUR 1,500,000 (2018: EUR 1,112,023).

### **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**

These financial statements have been prepared on a going concern basis

The Company incurred a profit of EUR 284,272 for the year ended 31 December 2019 (2018: profit of EUR 164,737) and the statement of financial position reflected a negative total equity position of EUR 11,780,492 (2018: negative total equity position 12,064,764).

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.

The Company has lost its share capital. The 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. Therefore the Company's ability to continue as a going concern is at risk if these parent companies fails to provide sufficient financial support.

During the year the Company had a net cash inflow of EUR 1,494,710 and cash at bank at the balance sheet date of EUR 1,534,591.

## **Financial position**

The result for the year is as expected.

## **Future developments**

The Company has sold its last property in the first quarter of 2020. Thus, the result for the next year will deviate from that reported in 2019.

Since January 2020 COVID-19 has continued to spread worldwide (COVID-19 pandemic). The management has not yet adjusted the expectations regarding the probable effect on the Company. As the last property is already sold, this should not significantly affect the Company's financial position.

## **Subsequent events**

The Company has transferred its assets held for sale in the first quarter of 2020.

As a result of the spread of COVID-19 since January 2020, GRP 1A ApS could be affected by respective risks. The risk is considered moderate by the management.

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

	Notes	1.1.2019– 31.12.2019	1.1.2018– 31.12.2018
		EUR	EUR
<b>Continued operations</b>			
<b>Gross profit</b>		<b>0</b>	<b>0</b>
<b>Profit before net financial result</b>			
Financial expenses	5	-56,217	-55,454
<b>Loss before tax</b>		<b>-56,217</b>	<b>-55,454</b>
<b>Loss from continued operations</b>		<b>-56,217</b>	<b>-55,454</b>
<b>Discontinued operations</b>			
Profit from discontinued operations, net of tax	6	340,489	220,191
<b>Net profit for the year</b>		<b>284,272</b>	<b>164,737</b>
<b>Total comprehensive income/ expense for the year</b>		<b>284,272</b>	<b>164,737</b>
<b>Total comprehensive income/ expense for the year attributable to: Equity holders of the Company</b>		<b>284,272</b>	<b>164,737</b>



## 6 Statement of financial position

Assets	Notes	31.12.2019	31.12.2018
		EUR	EUR
<b>A. Non-current assets</b>			
I. Investment property	7	0	1,112,023
<b>Total non-current assets</b>		<b>0</b>	<b>1,112,023</b>
<b>B. Current Assets</b>			
I. Assets held for sale	7, 8	1,500,000	0
II. Receivables			
1. Trade receivables	10	19,942	39,321
2. Receivables from group enterprises	10, 11	115,066	115,066
3. Other receivables	10	12,979	0
<b>Total</b>		<b>1,647,987</b>	<b>154,387</b>
III. Cash	9	1,534,591	39,881
<b>Total current assets</b>		<b>3,182,578</b>	<b>194,268</b>
<b>Total assets</b>		<b>3,182,578</b>	<b>1,306,291</b>

Equity and liabilities	Notes	31.12.2019	31.12.2018
		EUR	EUR
<b>A. Shareholders' equity</b>			
I. Share capital		372,866	372,866
II. Retained earnings/accumulated loss		-12,153,358	-12,437,630
<b>Total shareholders' equity</b>		<b>-11,780,492</b>	<b>-12,064,764</b>
<b>B. Non-current liabilities</b>			
I. Payables to group enterprises	10, 11	0	1,204,259
<b>Total non-current liabilities</b>		<b>0</b>	<b>1,204,259</b>
<b>C. Current liabilities</b>			
I. Trade payables	10	1,545,126	54,742
II. Payables to group enterprises	10, 11	13,391,742	12,078,766
III. Other payables		0	2,221
IV. Accruals	10	26,202	30,874
V. Deferred income	10	0	193
<b>Total current liabilities</b>		<b>14,963,070</b>	<b>12,166,796</b>
<b>Total liabilities</b>		<b>14,963,070</b>	<b>13,371,055</b>
<b>Total equity and liabilities</b>		<b>3,182,578</b>	<b>1,306,291</b>

## 7 Statement of cash flows

	1.1.2019– 31.12.2019	1.1.2018– 31.12.2018
	EUR	EUR
<b>Profit before net financial result</b>	<b>0</b>	<b>0</b>
<b>Adjustment for:</b>		
Gain/loss(-) on sale of discounted operation, net of tax	-382,075	-270,825
Profit/loss(-) from discounted operation, net of tax	340,489	220,190
Financial expenses	-56,217	-55,455
Sales costs	-12,137	0
Assets held for sale	-1,500,000	0
Lease incentives and capital expenditures	6,236	3,278
<b>Changes in:</b>		
Trade and other receivables	6,400	-535
Current liabilities	1,483,297	24,135
<b>Cash flows from operating activities</b>	<b>-114,007</b>	<b>-79,213</b>
Proceeds from sale of property	1,500,000	0
<b>Cash flows from investing activities</b>	<b>1,500,000</b>	<b>0</b>
Repayments/acceptance to group enterprises	108,717	70,454
<b>Cash flows from financial activities</b>	<b>108,717</b>	<b>70,454</b>
<b>Net cash flow for the year</b>	<b>1,494,710</b>	<b>-8,759</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents at 1 January	39,881	48,640
Net cash flow for the year	1,494,710	-8,759
<b>Cash and cash equivalents at 31 December</b>	<b>1,534,591</b>	<b>39,881</b>

## 8 Statement of changes in equity

	Share capital	Retained earnings/ Accumulated loss	Total
	EUR	EUR	EUR
<b>Shareholders' equity at 1 January 2018</b>	<b>372,866</b>	<b>-12,602,367</b>	<b>-12,229,501</b>
Profit and loss	0	164,737	164,737
<b>Total equity at 31 December 2018</b>	<b>372,866</b>	<b>-12,437,630</b>	<b>-12,064,764</b>
<b>Shareholders' equity at 1 January 2019</b>	<b>372,866</b>	<b>-12,437,630</b>	<b>-12,064,764</b>
Profit and loss	0	284,272	284,272
<b>Total equity at 31 December 2019</b>	<b>372,866</b>	<b>-12,153,358</b>	<b>-11,780,492</b>

# Notes

## **Note 1 Accounting policies**

The financial statements of GRP 1A 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 Euro (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 9 Amendments Prepayment Features with Negative Compensation	1 January 2019
IFRS 16: Leases	1 January 2019
IAS 19: Amendments Plan: Amendment, Curtailment or Settlement	1 January 2019
IAS 28 Amendments: Long-term Interests in Associated and Joint Ventures	1 January 2019
IFRIC 23: Uncertainty over Income Tax Treatments	1 January 2019
Improvements to IFRS 2015 – 2017 (IFRS3, IFRS 11, IAS 12, IAS 23)	1 January 2019

Forthcoming requirements	Effective date
Amendments References to the conceptual Framework in IFRS Standards	1 January 2020
IFRS 3: Amendment: Definition of Business (IASB-IFRS)	1 January 2020
IAS 1: Amendment, IAS 8 Amendment: Definition of material	1 January 2020
Amendment to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform	1 January 2020
IFRS 17: Insurance Contracts	1 January 2021
IFRS 10, IAS 28: Amendments Sale or Contribution of Assets between an Investor and its Associate or Joint Venture / Amendment Effective date (IASB-IFRS)	1 January 2022

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**

### **Assets held for sale**

The property was initially held on a long-term basis with the purpose of earning rental income and increases in value but was reclassified as available for sale due to its imminent sales transaction.

### **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 a going concern basis

The Company incurred a profit of EUR 284,272 for the year ended 31 December 2019 (2018: profit of EUR 164,737) and the statement of financial position reflected a negative total equity position of EUR 11,780,492 (2018: negative total equity position 12,064,764).

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.

The Company has lost its share capital. The 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. Therefore the Company's ability to continue as a going concern is at risk if these parent companies fails to provide sufficient financial support.

During the year the Company had a net cash inflow of EUR 1,494,710 and cash at bank at the balance sheet date of EUR 1,534,591.

## **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 2.0 % 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 Income taxes

Tax for the year	2019	2018
	EUR	EUR
<b>Total tax for the year</b>	<b>0</b>	<b>0</b>

Reconciliation of effective tax rate	2019	2018
	EUR	EUR
Profit before tax	284,272	164,737
Expected Danish tax rate	22%	22%
Expected effort for income tax	-62,540	-36,242
Effects of:		
Deviation of foreign tax rates from expected tax rate	17,554	10,173
Recognition of previously unrecognized tax losses	112,102	0
Current year tax losses for which no deferred tax asset is recognised	-67,239	26,070
Tax effects prior year	0	0
Other effects	123	0
<b>Effective income tax</b>	<b>0</b>	<b>0</b>

Breakdown of deferred tax assets	2019	2018
	EUR	EUR
Investment property	0	1,029,943
Tax losses carried forward	475,160	407,921
set-off	0	0
thereof unrecognised	-475,160	-1,437,865
<b>Total deferred tax assets</b>	<b>0</b>	<b>0</b>

The Company has tax loss carry forwards amounting to EUR 3,002,592 (2018: EUR 2,577,703). Deferred tax assets have been recognised to the extent that it is probable that future taxable profit will be available against which the Company can use the benefit therefrom.

## Note 5 Other financial expenses

	2019	2018
	EUR	EUR
Interest payable, group exchange	56,217	55,454
	<b>56,217</b>	<b>55,454</b>

## Note 6 Discontinued operation

The management committed to a plan to sell this asset during the financial year, following an economic decision to make profits from increased property value. In September 2019, a sale and purchase agreement between GRP 1A ApS and a third-party buyer was signed for the Company's property.

The investment property was not previously classified as held-for-sale or as a discontinued operation. The comparative statement of profit or loss and other comprehensive income has been restated to show the discontinued operation separately from continued operations.

	Notes	1.1.2019– 31.12.2019	1.1.2018– 31.12.2018
		EUR	EUR
Revenue		271,876	309,968
Expenses		-313,463	-360,604
<b>Results from operating activities</b>		<b>-41,588</b>	<b>-50,636</b>
Income Tax		0	0
<b>Results from operating activities, net of tax</b>		<b>-41,588</b>	<b>-50,636</b>
Gain/loss on sale of discontinued operation		382,075	270,827
Income tax		0	0
<b>Profit/(loss) from discontinued operations, net of tax</b>		<b>340,489</b>	<b>220,191</b>

The gain/loss on sale of discontinued operation contains the unrealized gain from fair value adjustments in the amount of EUR 394,212 and the realized loss in the amount of EUR 12,137.

The profit from discontinued operation of EUR 340,489 (2018: profit of EUR 220,191) is attributable entirely to the shareholder of the Company.

Cash flows from (used in) discontinued operation	2019	2018
	EUR	EUR
Net cash used in operating activities	1,494,710	-8,759
<b>Results from operating activities</b>	<b>1,494,710</b>	<b>-8,759</b>



## Note 7 Investment property / Assets held for sale

Cost at 31/12/2019	Investment property
	EUR
Balance at 1/1/2019	11,213,883
Lease incentives and leasing costs	-6,235
<b>Balance at 31/12/2019</b>	<b>11,207,647</b>

Value adjustments	Investment property
	EUR
Balance at 1/1/2019	-10,101,859
Value adjustments in the year	394,212
Reallocation assets held for sale	-1,500,000
<b>Write-downs at 31/12/2019</b>	<b>-11,207,647</b>
<b>Carrying amount at 31/12/2019</b>	<b>0</b>

Cost at 31/12/2018	Investment property
	EUR
Balance at 1/1/2018	11,217,160
Lease incentives and leasing costs	-3,277
<b>Balance at 31/12/2018</b>	<b>11,213,883</b>

Value adjustments	Investment property
	EUR
Balance at 1/1/2018	-10,372,686
Value adjustments in the year	270,827
<b>Write-downs at 31/12/2018</b>	<b>-10,101,859</b>
<b>Carrying amount at 31/12/2018</b>	<b>1,112,024</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 2019	Level 1	Level 2	Level 3	Total fair value
	EUR	EUR	EUR	EUR
Investment property held for sale	1,500,000	0	0	1,500,000

As at 31 December 2018	Level 1	Level 2	Level 3	Total fair value
	EUR	EUR	EUR	EUR
Investment property	0	0	1,112,023	1,112,023

### Note 8 Assets held for sale

Cash flows from (used in) discounted operation	2019	2018
	EUR	EUR
Investment property	1,500,000	0

### Note 9 Cash and cash equivalents

	2019	2018
	EUR	EUR
Cash and cash equivalents	1,534,591	39,881
	1,534,591	39,881

### 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.

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

**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. This risk is managed by obtaining deposits from tenants as security for rental payments. 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 Company is financed exclusively through group enterprise loans.

**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 2019	On demand	less than 1 year	1 to 5 years	> 5 years	Total
	EUR	EUR	EUR	EUR	EUR
Payables to group enterprises	0	13,391,742	0	0	13,391,742
Trade and other payables	0	1,545,126	0	0	1,545,126
Accruals	0	26,202	0	0	26,202
Deferred Income	0	0	0	0	0
	<b>0</b>	<b>14,963,070</b>	<b>0</b>	<b>0</b>	<b>14,963,070</b>

At 31 December 2018	On demand	less than 1 year	1 to 5 years	> 5 years	Total
	EUR	EUR	EUR	EUR	EUR
Payables to group enterprises	0	12,078,766	1,204,259	0	13,283,025
Trade and other payables	0	56,963	0	0	56,963
Accruals	0	30,874	0	0	30,874
Deferred Income	0	193	0	0	193
	<b>0</b>	<b>12,166,796</b>	<b>1,204,259</b>	<b>0</b>	<b>13,371,055</b>

### 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	2019	
	Carrying amount	Fair value
	EUR	EUR
Trade and other receivables	32,921	32,921
Receivables from group enterprises	115,066	115,066
Cash	1,534,591	1,534,591
<b>Total financial assets</b>	<b>1,682,578</b>	<b>1,682,578</b>

Financial liabilities	2019	
	Carrying amount	Fair value
	EUR	EUR
Payables to group enterprises	13,391,742	13,391,742
Trade and other payables	1,545,126	1,545,126
Accruals	26,202	26,202
<b>Financial liabilities held at amortised cost</b>	<b>14,963,070</b>	<b>14,963,070</b>

## Note 11 Related parties

Tommas Jakobsen and Peer Thomas Borg are members of the Supervisory Board of GRP 1A ApS.

None of the directors were paid by GRP 1A ApS in the year. The Directors are employed by Nectar Asset Management ApS, which renders management services to GRP 1A ApS. The amount charged by Nectar Asset Management ApS in the year to 31 December 2019 for services rendered was EUR 1,400 (2018: EUR 3,450).

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 2019	Rate of interest	Maturity
	EUR	EUR	%	
<b>Payable fall due for payment within 1 year:</b>				
MELF Investment Holding S.à r.l.	415,211	415,211	2.5%	31 Dec 2021
MELF Investment Holding S.à r.l.	774,048	774,048	8.5%	31 Dec 2021
MELF S.à r.l.	67,500	67,500	2.5%	13 Jun 2023
MELF Investment Holding S.à r.l.	106,969	106,969	0%	On demand
MELF Investment Holding S.à r.l.	39,240	39,240	0%	On demand
MELF S.à r.l.	865	865	0%	On demand
GRP 1B ApS	209,398	209,398	0%	On demand
GRP 1C ApS	372	372	0%	On demand
GRP 1D ApS	368	368	0%	On demand
GRP 1E ApS	360	360	0%	On demand
GRP 1F ApS	339	339	0%	On demand
GRP 1H ApS	11,128	11,128	0%	On demand
GRP 1I ApS	322	322	0%	On demand
MGM 1A ApS	368	368	0%	On demand
MGM 1B ApS	366	366	0%	On demand
MGM 1C ApS	361	361	0%	On demand
MGM 1D ApS	363	363	0%	On demand
MGM 1E ApS	362	362	0%	On demand
MGM 1F ApS	361	361	0%	On demand
MGM 1G ApS	369	369	0%	On demand
MELF S.à r.l.	11,763,072	11,763,072	0%	21 Jul 2020



	Principal Amount	Balance outstanding 31 Dec 2019	Rate of interest	Maturity
	EUR	EUR	%	
<b>Receivables:</b>				
GRP 1B ApS	22,918	22,918	0%	On demand
GRP 1C ApS	1,307	1,307	0%	On demand
GRP 1D ApS	15,307	15,307	0%	On demand
GRP 1E ApS	12,699	12,699	0%	On demand
GRP 1F ApS	10,872	10,872	0%	On demand
GRP 1H ApS	23,660	23,660	0%	On demand
GRP 1I ApS	17,833	17,833	0%	On demand
MGM 1A ApS	70	70	0%	On demand
MGM 1B ApS	70	70	0%	On demand
MGM 1C ApS	70	70	0%	On demand
MGM 1D ApS	70	70	0%	On demand
MGM 1E ApS	50	50	0%	On demand
MGM 1F ApS	70	70	0%	On demand
MGM 1G ApS	70	70	0%	On demand
German Retail Luxco S.à r.l.	10,000	10,000	0%	On demand

## **Note 12 Subsequent events**

The Company has transferred its assets held for sale in the first quarter of 2020.

Since January 2020, COVID-19 has continued to spread worldwide (COVID-19 pandemic). Currently, the managing directors cannot estimate the effects on the Company. However, GRP 1A ApS could be affected by respective risks. The risk is considered moderate by the managing directors.

The recent global outbreak of Covid-19 is currently creating unprecedented economic and social uncertainty throughout the world. The ultimate impact of Covid-19 outbreak is difficult to predict, but it is likely that Covid-19 will have a materially adverse impact on global, national and local economies in the immediate future and that such negative impact is likely to persist for some time. In particular, disruptions to commercial activity across economies due to the imposition of quarantines, remote working policies, "social distancing" practices and travel restrictions, and/or failures to contain the outbreak despite these measures, could materially and adversely impact investments. Similar disruptions may occur in respect of service providers and counterparties (including providers of financing), which could also negatively impact the Company. While there are early indications of various governmental responses to the potential negative effects of Covid-19, it is unclear how effective these responses will be and what other impacts such responses may have on the overall performance of markets and the Company's investments.

## **Note 13 Comparative figures**

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