

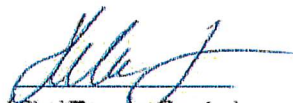
GRP 1E ApS

c/o Nectar Asset Management ApS
Ewaldsgade 7.
2200 Copenhagen N, Denmark
CVR-No. 30 58 53 72

Financial Statements

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

Adopted at the Annual General Meeting of shareholders
on 7/1 2020



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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 1E ApS
c/o Nectar Asset Management ApS
Ewaldsgade 7.
2200 Copenhagen N, Denmark

Company registration number

CVR-No. 30 58 53 72

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, 12 , 1882 Luxembourg

Ultimate parent company

MELF S.à r.l., Helios Building, Office no.0.19, 12 rue Guillaume Kroll, 12 , 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 1E 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.

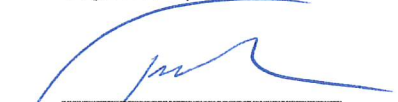
We recommend that the Financial Statements be adopted by the Annual General Meeting of shareholders.

Copenhagen, 02.07. 2020


Executive Board



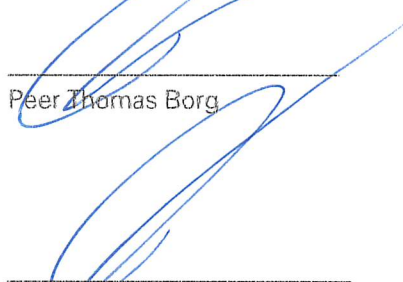
Tommas Jakobsen
Supervisory Board



Tommas Jakobsen, Chairman



Peer Thomas Borg



Peer Thomas Borg, Vice Chairman

3 Financial highlights

5-year summary

	2019	2018	2017	2016	2015
	EUR	EUR	EUR	EUR	EUR
Key figures (in EUR, except per share data)					
Statement of comprehensive income					
Revenue	519,375	555,717	528,442	701,062	609,246
Gross profit	349,783	393,280	238,640	479,415	416,345
Profit before net financials (EBIT)	1,564,396	636,288	276,647	672,613	1,412,941
Net financials	-259,457	-285,223	-289,137	-281,588	-423,804
Total comprehensive (expense)/income for the year	1,304,939	477,880	-139,303	391,024	989,137
Statement of financial position					
Total assets	7,947,021	6,764,225	6,549,174	6,535,185	6,557,692
Shareholders equity	-1,863,196	-3,168,135	-3,646,015	-3,506,712	-3,897,736
Other					
Number of employees	0	0	0	0	0
Ratio in %					
Rate of return (Profit/loss before net financials x 100/total assets)	19.69%	9.41%	4.22%	10.29%	21.55%
Equity ratio (Shareholders equity x 100/total assets)	-23.45%	-46.84%	-55.67%	-53.66%	-59.44%

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 480,466 for the year ended 31 December 2019 (2018: EUR 516,729).

The Company's investment properties are recorded at fair value and has been valued at EUR 7,397,525 (2018: EUR 6,256,888).

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 1,304,939 for the year ended 31 December 2019 (2018: profit of EUR 477,880) and the statement of financial position reflected a negative total equity position of EUR 1,863,196 (2018: negative total equity position of EUR 3,168,135).

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 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 outflow of EUR 13,607 and cash at bank at the balance sheet date of EUR 50,769.

Financial position

The result for the year is as expected.

Future developments

The Company has sold its property in Zweibrücken in the first quarter of 2020. Thus, the result for 2020 year will deviate from that reported in 2019. It is planned to sell the remaining investment properties in 2020.

Since January 2020 COVID-19 has continued to spread worldwide (COVID-19 pandemic). The management has not yet adjusted the expectations regarding the probable development in 2020 compared to the 2019 forecast.

Subsequent events

The Company has transferred its property in Zweibrücken in the first quarter of 2020.

As a result of the spread of COVID-19 since January 2020, GRP 1E ApS is exposed to the risk that revenue losses could be expected. 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
Revenue	4	519,375	555,717
Expenses related to rental activity		-169,592	-162,437
Gross profit		349,783	393,280
Fair value adjustment	5	1,216,710	282,160
Loss on disposal of investment property	15	-7,919	0
Other external expenses		-39,027	-39,152
Other gains	6	44,849	0
Profit before net financial result		1,564,396	636,288
Other financial expenses	7	-259,457	-285,223
Profit before tax		1,304,939	351,066
Deferred tax	8	0	126,813
Net profit for the year		1,304,939	477,880
Total comprehensive income/expense for the year		1,304,939	477,880
Total comprehensive income/expense for the year attributable to: Equity holders of the Company		1,304,939	477,880

6 Statement of financial position

Assets	Notes	31.12.2019	31.12.2018
		EUR	EUR
A. Non-current assets			
I. Investment property	9	0	6,256,888
Total non-current assets		0	6,256,888
B. Current assets			
I. Assets held for Sale	9,10	7,397,525	0
II. Receivables			
1. Trade receivables	12	7,793	7,831
2. Receivables from group enterprises	12,14	487,337	462,337
3. Prepayments		0	5
4. Other receivables	12	3,597	0
Total		7,896,252	470,174
III. Cash		50,769	37,162
Total current assets		7,947,021	507,336
Total assets		7,947,021	6,764,224

Equity and liabilities	Notes	31.12.2019	31.12.2018
		EUR	EUR
A. Shareholders' equity			
I. Share capital		261,788	261,788
II. Retained earnings/accumulated loss		-2,124,984	-3,429,923
Total shareholders' equity		-1,863,196	-3,168,135
B. Non-current liabilities			
I. Loans and borrowings	11, 12	0	2,542,493
II. Payables to group enterprises	12, 14	0	2,911,461
Total non-current liabilities		0	5,453,954
C. Current liabilities			
I. Loans and borrowings	11, 12	1,549,851	95,036
II. Trade payables	12	33,598	19,878
III. Payables to group enterprises	12, 14	8,198,939	4,279,997
IV. Deposits from tenants		2,100	2,100
V. Other payables		0	12,605
VI. Accruals	12	25,728	55,788
VII. Deferred income		0	13,000
Total current liabilities		9,810,217	4,478,405
Total liabilities		9,810,217	9,932,359
Total equity and liabilities		7,947,021	6,764,224

7 Statement of cash flows

	1.1.2019– 31.12.2019	1.1.2018– 31.12.2018
	EUR	EUR
Profit before net financial result	1,564,396	636,288
Adjustment for:		
Fair value adjustments	-1,216,709	-282,160
Taxes refunded	0	126,813
Lease incentives and capital expenditures	76,073	21,798
Financial expenses	-259,458	-285,223
Amortisation of loan costs	19,849	27,914
Other gains	-44,849	0
Changes in:		
Trade and other receivables	-3,554	2,581
Current liabilities	-41,945	-111,495
Cash flows from operating activities	93,803	136,517
Repayment to bank	-1,087,677	-102,378
Repayments/ acceptance to group enterprises	1,007,481	-76,869
Cash flows from financing activities	-80,196	-179,247
Net cash flow for the year	13,607	-42,730
Cash and cash equivalents		
Cash and cash equivalents at 1 January	37,162	79,892
Net cash flow for the year	13,607	-42,730
Cash and cash equivalents at 31 December	50,769	37,162

8 Statement of changes in equity

	Share capital	Retained earnings/ Accumulated loss	Total
	EUR	EUR	EUR
Shareholders' equity at 1 January 2018	261,788	-3,907,803	-3,646,015
Profit and loss	0	477,880	477,880
Total equity at 31 December 2018	261,788	-3,429,923	-3,168,135
Shareholders' equity at 1 January 2019	261,788	-3,429,923	-3,168,135
Profit and loss	0	1,304,939	1,304,939
Total equity at 31 December 2019	261,788	-2,124,984	-1,863,196

9 Notes

Note 1 Accounting policies

The financial statements of GRP 1E 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

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.

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 1,304,939 for the year ended 31 December 2019 (2018: profit of EUR 477,880) and the statement of financial position reflected a negative total equity position of EUR 1,863,196 (2018: negative total equity position of EUR 3,168,135).

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 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 outflow of EUR 13,608 and cash at bank at the balance sheet date of EUR 50,769.

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 Rental and related income

	2019	2018
	EUR	EUR
Rental income	480,466	516,729
Service charge income	33,206	36,985
Other property income	5,702	2,003
Revenue	519,375	555,717

Rental and related income fully relates to rent attributable to the year ended 31 December 2019. 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 3.19 year (2018: 3.45 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 2019, analysed by the period in which they fall due are as follows:

	2019	2018
	EUR	EUR
First year	427,712	559,366
Second up to and including fifth year	0	1,191,338
Sixth and subsequent years	0	621,747
	427,712	2,372,451

Note 5 Fair value adjustment

	2019	2018
	EUR	EUR
Fair value adjustment of property	1,216,710	282,160

Note 6 Other gains/losses

	2019	2018
	EUR	EUR
Other gains/losses	44,849	0
	44,849	0

Note 7 Other financial expenses

	2019	2018
	EUR	EUR
Interest payable, group enterprises	193,210	193,131
Interest payable, exchange losses and similar expenses	66,247	92,091
	259,457	285,223

Note 8 Income taxes

Tax for the year	2019	2018
	EUR	EUR
Deferred income tax	0	126,813
Total tax for the year	0	126,813

Reconciliation of effective tax rate	2019	2018
	EUR	EUR
Profit before tax	1,304,939	351,066
Expected tax rate	22%	22%
Expected effort for income tax	-287,087	-77,235
<i>Deviation of foreign tax rates from expected tax rate</i>	<i>80,580</i>	<i>21,678</i>
<i>Recognition of previously unrecognised tax losses</i>	<i>205,203</i>	<i>39,857</i>
<i>Current year tax losses for which no deferred tax asset is recognised</i>	<i>-1,157</i>	<i>-4,417</i>
<i>Other effects</i>	<i>2,460</i>	<i>20,116</i>
<i>Tax effects prior year</i>	<i>0</i>	<i>126,813</i>
Effective income tax	0	126,813

Breakdown of deferred tax liabilities	2019	2018
	EUR	EUR
Investment property	394,459	186,989
Financial instruments	0	2,267
Set-off	-394,459	-189,256
Total deferred tax liabilities	0	0

Breakdown of deferred tax assets	2019	2018
	EUR	EUR
Tax losses carried forward	464,759	463,603
Financial instruments	0	70
Set-off	-394,459	-189,256
thereof unrecognised	-70,300	-274,416
Total deferred tax assets	0	0

The Company has tax loss carry forwards amounting to EUR 2,936,868 (2018: EUR 2,929,560).

Note 9 Investment property / Assets held for sale

Cost at 31.12.2019	Investment property
	EUR
Balance at 1.1.2019	9,780,935
Lease incentives and leasing costs	-76,073
Balance at 31.12.2019	9,704,862

Value adjustments	Investment property
	EUR
Balance at 1.1.2019	-3,524,047
Value adjustments in the year	1,216,710
Reallocation assets held for sale	-7,397,525
Write-downs at 31.12.2018	-9,704,862
Carrying amount at 31.12.2019	0

Cost at 31.12.2018	Investment property
	EUR
Balance at 1.1.2018	9,802,733
Disposals in the period	0
Capital expenditures	8,748
Lease incentives and leasing costs	-30,546
Balance at 31.12.2018	9,780,935

Value adjustments	Investment property
	EUR
Balance at 1.1.2018	-3,806,207
Value adjustments in the year	282,160
Write-downs at 31.12.2018	-3,524,047
Carrying amount at 31.12.2018	6,256,888

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 hierarchy¹.

As at 31 December 2019	Level 1	Level 2	Level 3	Total fair value
	EUR	EUR	EUR	EUR
Assets held for sale	2,579,190	0	4,818,334	7,397,525

As at 31 December 2018	Level 1	Level 2	Level 3	Total fair value
	EUR	EUR	EUR	EUR
Investment property	0	0	6,256,888	6,256,888

Note 10 Assets held for sale

	2019	2018
	EUR	EUR
Property held for sale	7,397,525	0

Note 11 Payables to bank and credit institutions

Breakdown of payables to bank and credit institutions in the financial position	2019	2018
	EUR	EUR
Non-current liabilities	0	2,542,493
Current liabilities	1,549,851	95,036
Carrying amount at 31 December	1,549,851	2,637,529

Payables to bank and credit institutions fall due for payments as follows	2019	2018
	EUR	EUR
Within 1 year	1,549,851	95,036
Between 1 to 5 years	0	2,542,493
Over 5 years	0	0
Carrying amount at 31 December	1,549,851	2,637,529

¹ See note 3 for the explanation of the fair value hierarchy.

Note 12 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 und Cibor.

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 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 company².

	2019	2018
	EUR	EUR
Carrying amount of bank loans	1,549,851	2,637,529
Unamortised borrowing costs	0	14,326
Principal amount of bank loans	1,675,765	2,651,855
Valuation of investment property/assets held for sale	7,397,525	6,256,888
Loan to value ratio	21%	42%

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
Loans and borrowings	0	1,549,851	0	0	1,549,851
Payables to group enterprises	0	8,198,939	0	0	8,198,939
Trade and other payables	0	33,598	0	0	33,598
Deposits from tenants	0	2,100	0	0	2,100
Accruals	0	25,728	0	0	25,728
	0	9,810,217	0	0	9,810,217

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	95,036	2,542,493	0	2,637,529
Payables to group enterprises	0	4,279,997	2,911,461	0	7,191,458
Trade and other payables	0	32,483	0	0	32,483
Accruals	0	55,788	0	0	55,788
	0	4,463,304	5,453,954	0	9,917,258

² 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	2019	
	Carrying amount	Fair value
	EUR	EUR
Trade and other receivables	11,390	11,390
Receivables from group enterprises	487,337	487,337
Prepayments	0	0
Cash	50,769	50,769
Loans and receivables	549,496	549,496

Financial liabilities	2019	
	Carrying amount	Fair value
	EUR	EUR
Secured bank loans	1,549,851	1,549,851
Payables to group enterprises	8,198,939	8,198,939
Trade and other payables	33,598	33,598
Deposits from tenants	2,100	2,100
Accruals	25,728	25,728
Financial liabilities held	9,810,217	9,810,217

Note 13 Security for loans

	2019	2018
	EUR	EUR
Investment property /assets held for sale - carrying amount	7,397,525	6,256,888

The Company guarantees the obligations under the Hypo Noe 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 2019 amounted to EUR 11,623 (2018: EUR 4,632).

Note 14 Related parties

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

None of the directors were paid by GRP 1E ApS in the year. The Directors are employed by Nectar Asset Management ApS, which renders management services to GRP 1E ApS. The amount charged by Nectar Asset Management ApS in the year ending on 31 December 2019 for services rendered was EUR 1,400 (2018: EUR 3,352).

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	%	EUR
Payable fall due for payment within 1 year:				
MELF Investment Holding S.à r.l.	1,412,970	1,412,970	8,5%	31 Dec 2022
MELF Investment Holding S.à r.l.	949,801	949,801	2,5%	31 Dec 2022
MELF S.à r.l.	548,690	548,690	8,5%	31 Dec 2022
MELF S.à r.l.	70,000	70,000	2,5%	31 Dec 2022
MELF S.à r.l.	3,865,443	3,865,443	0%	21 Jul 2020
MELF S.à r.l.	101,799	101,799	0%	On demand
MELF Investment Holding S.à r.l.	35,845	35,845	0%	On demand
MGM 1E ApS	9,381	9,381	0%	On demand
GRP 1A ApS	12,699	12,699	0%	On demand
GRP 1B ApS	1,050,331	1,050,331	0%	On demand
GRP 1C ApS	108	108	0%	On demand
GRP 1D ApS	77,848	77,848	0%	On demand
GRP 1F ApS	33,277	33,277	0%	On demand
GRP 1H ApS	30,821	30,821	0%	On demand
Receivables:				
GRP 1A ApS	359	359	0%	On demand
GRP 1B ApS	461,978	461,978	0%	On demand
German Retail Lux	25,000	25,000	0%	On demand

Note 15 Subsequent events

The Company has transferred its property in Zweibrücken 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 1E ApS is exposed to the risk that revenue losses could be expected. 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 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.