

## **GRP 11 ApS**

c/o Nectar Asset Management ApS  
Regnbuepladsen 5, 4.  
1550 Copenhagen V, Denmark  
CVR-No. 31 05 02 35

## **Financial Statements**

For the period 1 January – 31 December 2016  
(12 months)  
10th financial year

Adopted at the Annual General Meeting of shareholders  
on 9/6 2017



Chairman  
HENRIK GRØNS

## Contents

<b>Company details</b>	<b>1</b>
<b>Statement by the Supervisory and Executive Boards on the Financial Statements</b>	<b>2</b>
<b>Financial Highlights</b>	<b>3</b>
<b>Management's Review</b>	<b>4</b>
<b>Statement of profit or loss and other comprehensive income</b>	<b>5</b>
<b>Statement of financial position</b>	<b>6</b>
<b>Statement of cash flows</b>	<b>8</b>
<b>Statement of changes in equity</b>	<b>9</b>
<b>Notes</b>	<b>10</b>

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

## **Company details**

GRP 11 ApS  
c/o Nectar Asset Management ApS  
Regnbuepladsen 5, 4.  
1550 Copenhagen V, 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., 6, Rue Eugène Ruppert, L-2453 Luxembourg

## **Ultimate parent company**

Melf S.à r.l., 6, Rue Eugène Ruppert, L-2453 Luxembourg

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

The Supervisory and Executive Boards have presented the Financial Statements for the year ended 31 December 2016. 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.

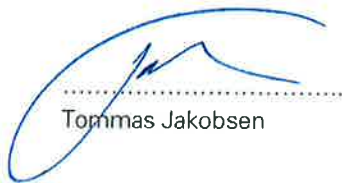
We consider that the accounting policies used are appropriate and the accounting estimates made are reasonable. To the best of our belief, the Financial Statements include the information which is relevant for an assessment of the Company's financial position. Against this background, it is our opinion 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 2016.

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

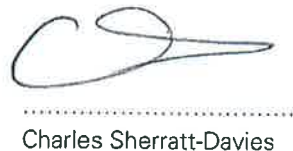
We recommend that the Financial Statements be adopted by the Annual General Meeting of shareholders.

Copenhagen, 01/062017

### **Executive Board**

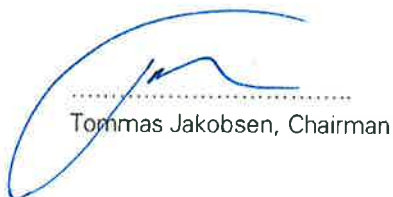


.....  
Tommas Jakobsen



.....  
Charles Sherratt-Davies

### **Supervisory Board**



.....  
Tommas Jakobsen, Chairman



.....  
Charles Sherratt-Davies, Vice chairman

## Financial Highlights

### 5-year summary

	2016	2015	2014	2013	2012
	EUR	EUR	EUR	EUR	EUR
<b>Key figures (in EUR, except per share data)</b>					
<b>Statement of comprehensive income</b>					
Revenue	935,499	847,084	796,009	821,420	863,738
Gross profit	635,304	618,118	570,748	606,468	677,318
Profit before net financials (EBIT)	1,066,996	671,095	192,205	-598,579	514,112
Net financials	-333,670	-414,298	-534,968	-573,768	-574,525
Total comprehensive (expense)/income for the year	734,286	256,797	-344,121	-1,172,398	-60,420
<b>Statement of financial position</b>					
Total assets	8,047,034	7,085,947	6,561,506	7,315,260	8,389,144
Shareholders' equity	-2,388,489	-3,122,774	-3,379,571	-3,185,450	-2,013,053
<b>Other</b>					
Number of employees	0	0	0	0	0
<b>Ration in %</b>					
Rate of return	13.26%	9.47%	2.93%	-8.18%	6.13%
(Profit/loss before net financials x 100/total assets)					
Equity ratio	-29.68%	-44.07%	-51.51%	-43.55%	-24.00%
(Shareholders' equity x 100/total assets)					

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 in 2010.

## **Management's Review**

### **Business activities and mission**

The Company's main objective is property investment.

### **Business review**

The Company recorded rental income of EUR 704,048 for the year ended 31 December 2016 (2015: EUR 699,555).

The Company's investment properties are recorded at fair value and has been valued at EUR 7,595,226 (2015: EUR 6,658,121).

### **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 -257,040 and cash at bank at the balance sheet date of EUR 82,168.

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 2016.

### **Subsequent events**

No events have occurred after the financial year-end which could significantly affect the Company's financial position.

## Statement of profit and loss and other comprehensive income

	Notes	2016 EUR	2015 EUR
Revenue	4	935,499	847,084
Expenses related to rental activity		-300,195	-228,966
<b>Gross profit</b>		<b>635,304</b>	<b>618,118</b>
Fair value adjustment	5	539,164	165,489
Profit/(Loss) on disposal of investment property		-190	0
Other external expenses		-107,282	-112,228
Other gains/(losses)		0	-284
<b>Profit before net financial result</b>		<b>1,066,996</b>	<b>671,095</b>
Other financial expenses	6	-333,670	-414,298
<b>Profit before tax of continuing operations</b>		<b>733,327</b>	<b>256,797</b>
Tax of continuing operations for the year	7	959	0
<b>Net profit for the year</b>		<b>734,286</b>	<b>256,797</b>
<b>Total comprehensive income for the year</b>		<b>734,286</b>	<b>256,797</b>
<b>Total comprehensive income for the year attributable to:</b>			
Equity holders of the company		<b>734,286</b>	<b>256,797</b>

## Statement of financial position

### Assets

	Notes	2016	2015
		EUR	EUR
<b>A. Non-current assets</b>			
I. Investment property	8	6,395,226	6,658,121
Total non-current assets		6,395,226	6,658,121
<b>B. Current Assets</b>			
I. Investment property			
1. Other investments, including derivatives		1,200,000	0
II. Receivables			
1. Trade receivables		39,530	7,018
2. Receivables from group enterprises	12	268,682	322
3. Financial assets	10	2,380	0
4. Other receivables		59,048	81,278
Total receivables		1,569,640	88,618
II. Cash		82,168	339,208
Total current assets		1,651,808	427,826
<b>Total assets</b>		<b>8,047,034</b>	<b>7,085,947</b>



## Equity and liabilities

	Notes	2016	2015
		EUR	EUR
<b>A. Shareholders' equity</b>			
I. Share capital		256,114	256,114
II. Retained earnings/accumulated loss		-2,644,603	-3,378,888
Total shareholders' equity		-2,388,489	-3,122,774
<b>B. Non-current liabilities</b>			
I. Loans and borrowings	9	3,438,649	0
II. Payables to group enterprises		2,773,104	0
III. Deposits from tenants		0	13,943
Total non-current liabilities		6,211,753	13,943
<b>C. Current liabilities</b>			
I. Current portion of non-current liabilities	9	111,263	0
II. Trade payables		106,856	16,719
III. Payables to group enterprises	12	3,967,312	10,084,801
IV. Income taxes payables		0	959
V. Deposits from tenants		0	3,434
VI. Other payables (incl. VAT)		10,974	7,656
VII. Accruals		24,965	71,276
VIII. Deferred Income		2,399	9,933
Total current liabilities		4,223,769	10,194,778
Total liabilities		10,435,523	10,208,721
<b>Total equity and liabilities</b>		<b>8,047,034</b>	<b>7,085,947</b>

## Statement of cash flows

	2016	2015
	EUR	EUR
<b>Profit before net financial result</b>	1,066,996	671,095
Fair value adjustments, non-current assets	-539,164	-165,489
Loss on disposal of investment property	0	0
Taxes refunded/(paid)	959	0
<b>Changes in:</b>		
Trade and other receivables	-12,662	-31,423
Current liabilities	21,274	2,453
Financial income	0	0
Financial expenses	-333,670	-414,298
Capital Expenditures	-406,606	0
Lease incentives	8,666	-42,632
<b>Cash flows from operating activities</b>	<b>-194,208</b>	<b>19,706</b>
Disposals of investment property	0	0
Repayments of receivables from group enterprises	0	0
<b>Cash flows from investing activities</b>	<b>0</b>	<b>0</b>
Repayment of Berlin Hypo Noe Loan	-61,902	0
Receipt from Berlin Hypo Noe	3,708,769	0
Repayments (acceptance) on current liabilities	-3,441,340	265,191
Receivables from group enterprises	-268,359	0
<b>Cash flows from financing activities</b>	<b>-62,832</b>	<b>265,191</b>
<b>Net cash flow for the year</b>	<b>-257,040</b>	<b>284,897</b>
<b>Cash and cash equivalents</b>		
Cash and cash equivalents at 1 January	339,208	54,311
Net cash flow for the year	-257,040	284,897
<b>Cash and cash equivalents at 31 December</b>	<b>82,168</b>	<b>339,208</b>

## Statement of changes in equity

	Share capital	Retained earnings/ Accumulated loss	Total
	EUR	EUR	EUR
<b>Shareholders' equity at 1 January 2015</b>	256,114	-3,635,685	-3,379,571
Profit and loss	0	256,797	256,797
Other comprehensive income	0	0	0
<b>Total equity at 31 December 2015</b>	256,114	-3,378,888	-3,122,774
<b>Shareholders' equity at 1 January 2016</b>	256,114	-3,378,888	-3,122,774
Profit and loss	0	734,286	734,286
<b>Total equity at 31 December 2016</b>	<b>256,114</b>	<b>-2,644,603</b>	<b>-2,388,489</b>

# GRP 11 ApS, Copenhagen

## Notes

### Note 1 Accounting policies

The financial statements of GRP 11 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 after the date of these financial statements:

<b>IASB/IFRIC documents endorsed</b>	<b>Effective date</b>
<b>Name</b>	<b>Annual periods beginning on or after</b>
Amendments to IAS 1	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization	1 January 2016
IFRS 9: Financial Instruments	1 January 2018
IFRS 15: Revenue from Contracts with Customers	1 January 2018

<b>IASB/IFRIC documents not yet endorsed</b>	<b>Effective date</b>
<b>Name</b>	<b>Annual periods beginning on or after</b>
IFRS 16: Leases	1 January 2019
Amendments to IFRS 4: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	1 January 2018
Amendment to IFRS 15: Clarifications to IFRS 15	1 January 2018
Amendments to IAS 7: Disclosure Initiative	1 January 2017
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendment to IAS 40: Transfers of Investment Property	1 January 2018

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 return requirements applied for 2016 are 7.20% (2015: 8.60%).

Inflation of 1.5% per annum;

Rental income linked to CPI (adjustment on movement of 10% in the index)

Value of the terminal period at 31 December 2016 is EUR 8.3m.



## 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 (Gross Yield: 12.80) and contracted rental income. Sensitivity analysis has been completed to seek to quantify the risk associated with an increase in Gross Yield or reduction in the value of rent attributable to the assets.

Discount rate	6.2%	6.7%	7.2%	7.7%	8.2%
<b>GRI Multiplier</b>					
-1.00	8,317,291	8,229,915	8,144,075	8,059,736	7,976,865
-0.50	8,015,678	7,931,469	7,848,739	7,767,455	7,687,584
	7,714,065	7,633,023	<b>7,553,403</b>	7,475,174	7,398,304
0.50	7,412,452	7,334,577	7,258,068	7,182,893	7,109,023
1.00	7,110,839	7,036,131	6,962,732	6,890,612	6,819,742

## 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

	2016	2015
	EUR	EUR
Rental income	704,048	699,555
Service charge income	138,697	146,461
Other property income	92,753	1,067
<b>Revenue</b>	<b>935,499</b>	<b>847,083</b>

Rental and related income fully relates to rent attributable to the year ended 31 December 2016. 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 2.74 years (2015: 3.27 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 2016, analysed by the period in which they fall due are as follows:

	2016	2015
	EUR	EUR
First year	682,136	653,167
Second up to and including fourth year	1,058,197	1,318,948
Fifth and subsequent years	1,444,546	360,921
	<b>3,184,879</b>	<b>2,333,036</b>

## Note 5 Fair value adjustment

	2016	2015
	EUR	EUR
<b>Fair value adjustment of property</b>	<b>539,164</b>	<b>165,489</b>

## Note 6 Other financial expenses

	2016	2015
	EUR	EUR
Interest payable, group enterprises	282,690	414,298
Interest payable, exchange losses and similar expenses	50,979	0
	<b>333,670</b>	<b>414,298</b>

## Note 7 Income taxes

Tax for the year	2016	2015
	EUR	EUR
Current income tax charge	-959	0
Deferred income tax	0	0
<b>Total tax for the year</b>	<b>-959</b>	<b>0</b>

Reconciliation of effective tax rate	2016	2015
	EUR	EUR
Profit before tax	733,327	256,797
Expected tax rate	22%	23.5%
Expected effort for income tax	-161,332	-60,347
Tax	959	0
Deviation of foreign tax rates from expected tax rate	45,283	19,709
Changes of temporary differences for which no deferred tax asset is recognised	135,313	54,548
Current-year losses for which no deferred tax asset is recognised	-17,347	-13,910
Tac effects prior year	-959	0
Other effects	0	0
<b>Effective income tax</b>	<b>959</b>	<b>0</b>

Breakdown of deferred tax liabilities	2016	2015
	EUR	EUR
Financial instruments	15,343	0
Set-off	-15,343	0
<b>Total deferred tax liabilities</b>	<b>0</b>	<b>0</b>

Breakdown of deferred tax assets	2016	2015
	EUR	EUR
Investment property	211,043	385,010
Tax losses carried forward	31,256	0
Financial instruments	118	0
set-off	-15,343	0
thereof unrecognised	-227,075	-385,010
<b>Total deferred tax assets</b>	<b>0</b>	<b>0</b>

## Note 8 Investment property

Cost at 31/12/2016	Investment property
	EUR
<b>Balance at 1/1/2016</b>	<b>10,296,677</b>
<b>Lease incentives and leasing costs</b>	<b>-8,666</b>
<b>Capital expenditures</b>	<b>406,606</b>
<b>Balance at 31/12/2016</b>	<b>10,694,618</b>

Value adjustments	Investment property
	EUR
Balance at 1/1/2016	-3,638,556
Value adjustments in the year	539,164
<b>Write-downs at 31/12/2016</b>	<b>-3,099,392</b>
<b>Carrying amount at 31/12/2016</b>	<b>7,595,226</b>

Cost at 31/12/2015	Investment property
	EUR
Balance at 1/1/2015	10,254,045
Additions in the period	43,091
Disposals in the period	-123
Lease incentives and leasing costs	-336
<b>Balance at 31/12/2015</b>	<b>10,296,677</b>

Value adjustments	Investment property
	EUR
Balance at 1/1/2015	-3,804,045
Value adjustments in the year	165,489
<b>Write-downs at 31/12/2015</b>	<b>-3,638,556</b>
<b>Carrying amount at 31/12/2015</b>	<b>6,658,121</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 2016	Level 1	Level 2	Level 3	Total fair value
	EUR	EUR	EUR	EUR
<b>Investment property</b>	<b>0</b>	<b>0</b>	<b>7,595,226</b>	<b>7,595,226</b>

As at 31 December 2015	Level 1	Level 2	Level 3	Total fair value
	EUR	EUR	EUR	EUR
<b>Investment property</b>	<b>0</b>	<b>0</b>	<b>6,658,121</b>	<b>6,658,121</b>

## Note 9 Payables to bank and credit institutions

Breakdown of payables to bank and credit institutions in the financial position	2016	2015
	EUR	EUR
Non-current liabilities	3,438,649	0
Current liabilities	111,263	0
<b>Carrying amount at 31 December</b>	<b>3,549,912</b>	<b>0</b>

Payables to bank and credit institutions fall due for payments as follows	2016	2015
	EUR	EUR
Within 1 year	111,263	0
Between 1 to 5 years	3,438,649	0
Over 5 years	0	0
<b>Carrying amount at 31 December</b>	<b>3,549,912</b>	<b>0</b>

In 2016, the Company has raised a bank loan which has been agreed with Hypo Noe Gruppe Bank AG.

<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. 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 company.<sup>2</sup>

---

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



	2016	2015
	EUR	EUR
Carrying amount of bank loans	3,549,912	0
Capitalised loan transaction cost	96,955	0
<b>Principal amount of bank loans</b>	<b>3,646,867</b>	<b>0</b>
Valuation of investment property	7,595,226	6,658,121
Loan to value ratio	48%	0%

#### 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 2016	On demand	less than 1 year	1 to 5 years	> 5 years	Total
	EUR	EUR	EUR	EUR	EUR
Secured bank loans	0	111,263	3,438,649	0	3,549,912
Payables to group enterprises	0	3,967,312	2,773,104	0	6,740,416
Trade and other payables	0	117,831	0	0	117,831
Accruals	0	24,965	0	0	24,965
	<b>0</b>	<b>4,221,371</b>	<b>6,211,753</b>	<b>0</b>	<b>10,433,124</b>

At 31 December 2015	On demand	less than 1 year	1 to 5 years	> 5 years	Total
	EUR	EUR	EUR	EUR	EUR
Payables to group enterprises	0	3,434	13,943	0	17,377
Trade and other payables	0	10,084,801	0	0	10,084,801
Accruals	0	25,334	0	0	25,334
Deferred Income	0	71,276	0	0	71,276
	<b>0</b>	<b>10,184,845</b>	<b>13,943</b>	<b>0</b>	<b>10,198,788</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	2016	
	Carrying amount	Fair value
	EUR	EUR
Trade and other receivables	98,577	98,577
Receivables from group enterprises	268,682	268,682
Financial assets	2,380	2,380
Prepayments	0	0
Cash	82,168	82,168
<b>Loans and receivables</b>	<b>451,808</b>	<b>451,808</b>

Financial liabilities	2016	
	Carrying amount	Fair value
	EUR	EUR
Secured bank loans	3,549,912	3,646,867
Payables to group enterprises	6,740,416	6,740,416
Trade and other payables	117,831	117,831
Accruals	24,965	24,965
<b>Financial liabilities held at amortised cost</b>	<b>10,433,124</b>	<b>10,530,079</b>

## Note 11 Security for loans

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

<b>Mortgage debt EUR 3,646,867</b>	<b>2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
<b>Investment property carrying amount</b>	<b>7,595,226</b>	<b>6,658,121</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 2016 amounted to EUR 42,397 (2015: EUR 315,747).

## Note 12 Related parties

Tommas Jakobsen and Charles Sherratt-Davies are members of the Supervisory Board of GRP 11 ApS.

None of the directors were paid by GRP 11 ApS in the year. The Directors are employed by Nectar Asset Management ApS, which renders management services to GRP 11 ApS. The amount charged by Nectar Asset Management ApS in the year to 31 December 2016 for services rendered was EUR 3,382 (2015 Hestia Danmark ApS: EUR 3,150).

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 2016	Rate of interest	Maturity
	EUR	EUR	%	
Payable fall due for payment within 5 years:				
<b>MELF Investment Holding S.à r.l.</b>	<b>891,695</b>	<b>891,695</b>	<b>8.50%</b>	<b>31. Dec 2021</b>
<b>MELF Investment Holding S.à r.l.</b>	<b>627,611</b>	<b>627,611</b>	<b>2.50%</b>	<b>31. Dec 2021</b>
<b>MELF S.à r.l.</b>	<b>1,253,798</b>	<b>1,253,798</b>	<b>8.50%</b>	<b>31. Dec 2021</b>
Payable fall due for payment within 1 year:				
<b>MELF Investment Holding</b>	<b>167,805</b>	<b>167,805</b>	<b>0%</b>	<b>On demand</b>
<b>MELF S.à r.l.</b>	<b>54,471</b>	<b>54,471</b>	<b>0%</b>	<b>On demand</b>
<b>MELF S.à r.l.</b>	<b>3,708,738</b>	<b>3,708,738</b>	<b>0%</b>	<b>21. Jul 2017</b>
<b>MGM 1E ApS</b>	<b>11,257</b>	<b>11,257</b>	<b>0%</b>	<b>On demand</b>
<b>GRP 1A ApS</b>	<b>17,803</b>	<b>17,803</b>	<b>0%</b>	<b>On demand</b>
<b>GRP 1B ApS</b>	<b>6,313</b>	<b>6,313</b>	<b>0%</b>	<b>On demand</b>
<b>GRP 1F ApS</b>	<b>925</b>	<b>925</b>	<b>0%</b>	<b>On demand</b>
Receivables:				
<b>GRP 1A ApS</b>	<b>322</b>	<b>322</b>	<b>0%</b>	<b>On demand</b>
<b>GRP 1B ApS</b>	<b>260,000</b>	<b>260,000</b>	<b>0%</b>	<b>On demand</b>
<b>MELF Investment Holding S.à r.l.</b>	<b>8,360</b>	<b>8,360</b>	<b>0%</b>	<b>On demand</b>

## Note 13 Subsequent events

No events have occurred after the financial year-end which could significantly affect the Company's financial position.

## Note 14 Comparative figures

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