GRP 1I ApS

c/o Nectar Asset Management ApS
Ewaldsgade 7.
2200 Copenhagen N, Denmark
CVR-No. 31 05 02 35

Financial Statements

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

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

Chairman

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

Company registration number

CVR-No. 31 05 02 35

Supervisory Board

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

Executive Board

- Tommas Jakobsen
- Charles Sherratt-Davies

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

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

Ultimate parent company

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

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

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

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

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

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

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

Copenhagen, ___________ 2019

Executive Board

Tommas Jakobsen	Charles Sherratt-Davies

Supervisory Board

Tommas Jakobsen, Chairman	Charles Sherratt-Davies, Vice chairman

3 Financial highlights

5-year summary

	2018	2017	2016	2015	2014
	EUR	**EUR**	**EUR**	**EUR**	**EUR**
Key figures (in EUR, expect per share data)					
Statement of comprehensive income					
Revenue	669,521	723,533	935,499	847,084	796,009
Gross profit	397,896	525,138	635,304	618,118	570,748
Profit before net financials (EBIT)	2,855,942	661,918	1,066,996	671,095	-534,968
Net financials	-318,976	-324,142	-333,670	-414,298	-831,480
Total comprehensive (expense)/income for the year	2,370,306	337,775	734,286	256,797	-344,121
Statement of inancial position					
Total assets	10,254,009	7,686,990	8,047,034	7,085,947	6,561,506
Shareholders´equity	319,593	–2,050,714	-2,388,489	-3,122,774	-3,379,571
Other					
Number of employees	0	0	0	0	0
Ratio in %					
Rate of return	27.85%	8.61%	13.26%	9.47%	2.93%
(Profit/loss before net financials x 100/total assets)					
Equity ratio	3.12%	-26.68%	-29.68%	-44.07%	-51.51%
(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 the latest issued 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 560,706 for the year ended 31 December 2018 (2017: EUR 596,187).

The Company's investment properties are recorded at fair value and has been valued at EUR 0 (2017: EUR 6,801,958).

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 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 financial year the Company intended to sell its investment property whose operation is its only business segment. Hence, the validity of going concern basis is dependent upon the continued support of the Company's parent.

During the year the Company had a net cash outflow of EUR -4,118 and cash at bank at the balance sheet date of EUR 60,483.

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 has sold its last property in the first quarter of 2019. Thus, the result for the next year will deviate from that reported in 2018.

Subsequent events

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

5 Statement of profit or loss and other comprehensive income

	Notes	1.1.2018–31.12.2018	1.1.2017–31.12.2017
		EUR	**EUR**
Revenue	4	669,521	723,533
Expenses related to rental activity		-271,625	-198,395
Gross profit		**397,896**	**525,138**
Fair value adjustment	5	2,181,895	326,204
Profit/(Loss) on disposal of investment property		387,132	-1,803
Other external expenses		-110,981	-187,621
Profit before net financial result		**2,855,942**	**661,918**
Other financial expenses	6	-318,976	-324,142
Profit before tax		**2,536,966**	**337,775**
Deferred taxes	7	-166,660	0
Net profit for the year		**2,370,306**	**337,775**
Total comprehensive income for the year		**2,370,306**	**337,775**
Total comprehensive income for the year attributable to: Equity holders of the company		**2,370,306**	**337,775**

6 Statement of financial position

Assets	Notes	31.12.2018	31.12.2017
		EUR	EUR
A. Non-current assets			
I. Investment property	8	0	6,801,958
Total non-current assets		**0**	**6,801,958**
B. Current assets			
I. Assets held for sale		9,460,000	0
II. Receivables			
1. Trade receivables		18,423	96,927
2. Receivables from group enterprises	12	715,095	715,095
3. Financial assets	8	7	1,045
4. Other receivables		0	7,364
Total receivables		**10,193,526**	**820,431**
II. Cash		60,483	64,601
Total current assets		**10,254,009**	**885,032**
Total assets		**10,254,009**	**7,686,990**

Equity and liabilities	Notes	31.12.2018	31.12.2017
		EUR	EUR
A. Shareholders' equity			
I. Share capital		256,114	256,114
II. Retained earnings/accumulated loss		63,479	-2,306,828
Total shareholders' equity		**319,593**	**-2,050,714**
B. Non-current liabilities			
I. Loans and borrowings	9	3,071,669	3,161,223
II. Payables to group enterprises	12	3,003,104	2,823,104
III. Deferred tax liability		166,660	0
Total non-current liabilities		**6,241,432**	**5,984,327**
C. Current liabilities			
I. Current portion of non-current liabilities	9	119,277	119,277
II. Trade payables		93,138	63,632
III. Payables to group enterprises	12	3,403,130	3,479,980
IV. Other payables		8,386	34,558
V. Accruals	10	53,452	40,927
VI. Deferred Income		15,601	15,002
Total current liabilities		**3,692,984**	**3,753,377**
Total liabilities		**9,934,416**	**9,737,704**
Total equity and liabilities		**10,254,009**	**7,686,990**

7 Statement of cash flows

	1.1.2018–31.12.2018	1.1.2017–31.12.2017
	EUR	**EUR**
Profit before net financial result	**2,855,942**	**661,918**
Fair value adjustments, non-current assets	-2,181,895	-326,204
Lease incentives and capital expenditures	-3,985	-80,527
Financial expenses	-318,976	-324,142
Amortisation of loan costs	38,938	38,830
Changes in:		
Assets held for sale	-9,460,000	0
Sale of properties on cast basis	8,987,838	0
Investments	0	1,200,000
Trade and other receivables	86,905	-4,380
Current liabilities	16,459	8,925
Cash flows from operating activities	**21,225**	**1,174,420**
Repayment to bank	-128,492	-346,271
Receivable from/Repayment to group enterprises	103,149	-845,716
Cash flows from financing activities	**-25,343**	**-1,191,987**
Net cash flow for the year	**-4,118**	**-17,567**
Cash and cash equivalents		
Cash and cash equivalents at 1 January	64,601	82,168
Net cash flow for the year	-4,118	-17,567
Cash and cash equivalents at 31 December	**60,483**	**64,601**

8 Statement of changes in equity

	Share capital	Retained earnings/ Accumulated loss	Total
	EUR	EUR	EUR
Shareholders' equity at 1 January 2017	**256,114**	**-2,644,603**	**-2,388,489**
Profit and loss	0	337,775	337,775
Total equity at 31 December 2017	**256,114**	**-2,306,827**	**-2,050,713**
Shareholders' equity at 1 January 2018	**256.114**	**-2,306,827**	**-2,050,713**
Profit and loss	0	2,370,306	2,370,306
Total equity at 31 December 2018	**256.114**	**63,479**	**319,593**

9 Notes

Note 1 Accounting policies

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

The financial statements are presented in Euros (EUR).

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

New and revised standards and bases for conclusion

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

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

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

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

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

The directors do not expect that the adoption of these Standards and Interpretations will have any 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

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 financial year the Company intended to sell its investment property whose operation is its only business segment. Hence, the validity of going concern basis is dependent upon the continued support of the Company's parent.

Note 3 Assumptions and estimates

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

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

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

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

Sensitivity analysis – Discount rate

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

Fair value

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

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

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

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

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

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

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

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

Note 4 Rental and related income

	2018	2017
	EUR	**EUR**
Rental income	560,706	596,187
Service charge income	101,631	127,181
Other property income	7,183	166
Revenue	**669,521**	**723,533**

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

The Company leases out all of its investment properties under operating leases which are non-cancellable and have average lease terms of 5.33 years (2017: 5.23 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 2018, analysed by the period in which they fall due are as follows:

	2018	2017
	EUR	**EUR**
First year	0	572,508
Second up to and including fifth year	0	2,013,608
Sixth and subsequent years	0	2,726,341
	0	**5,312,457**

Note 5 Fair value adjustment

	2018	2017
	EUR	**EUR**
Fair value adjustment of property	**2,181,895**	**326,204**

Note 6 Other financial expenses

	2018	2017
	EUR	**EUR**
Interest payable, group enterprises	203,149	123,289
Interest payable, exchange losses and similar expenses	115,827	200,853
	318,976	**324,142**

Note 7 Income taxes

Tax for the year	2018	2017
	EUR	**EUR**
Current income tax charge	0	0
Deferred income tax	-166,660	0
Total tax for the year	**-166,660**	**0**

Reconciliation of effective tax rate	2018	2017
	EUR	**EUR**
Profit before tax	2,536,966	337,775
Expected tax rate	22%	22%
Expected effort for income tax	-558,132	-74,311
Deviation of foreign tax rates from expected tax rate	156,658	20,858
Tax effect on deferred tax assets and tax losses for which no deferred tax asset is recognised	192,563	59,598
Tax effect on utilisation of deferred tax assets and tax losses for which no deferred tax asset is recognised	-6,162	–6,145
Other effects	48,413	0
Effective income tax	**-166,660**	**0**

Breakdown of deferred tax liabilities	2018	2017
	EUR	**EUR**
Investment property	272,703	0
Financial instruments	3,163	9,325
Set-off	-109,207	-9,325
Total deferred tax liabilities	**166,660**	**0**

Breakdown of deferred tax assets	2018	2017
	EUR	**EUR**
Investment property	0	96,130
Tax losses carried forward	109,109	80,766
Financial instruments	98	132
Set-off	-109,207	-9,325
thereof unrecognised	0	-167,702
Total deferred tax assets	**0**	**0**

Note 8 Investment property

Cost at 31/12/2018	Investment property
	EUR
Balance at 1/1/2018	9,575,146
Lease incentives and leasing costs	-15,624
Capital expenditures	19,610
Balance at 31/12/2018	**9,579,132**

Value adjustments	Investment property
	EUR
Balance at 1/1/2018	-2,773,188
Value adjustments in the year	2,181,895
Disposal	-8,987,838
Write-downs at 31/12/2018	–9,579,130
Carrying amount at 31/12/2018	**0**

Cost at 31/12/2017	Investment property
	EUR
Balance at 1/1/2017	10,694,618
Disposals in the period	-1,200,000
Lease incentives and leasing costs	80,528
Balance at 31/12/2017	**9,575,146**

Value adjustments	Investment property
	EUR
Balance at 1/1/2017	-3,099,392
Value adjustments in the year	326,204
Write-downs at 31/12/2017	-2,773,188
Carrying amount at 31/12/2017	**6,801,958**

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[1].

As at 31 December 2018	Level 1	Level 2	Level 3	Total fair value
	EUR	EUR	EUR	EUR
Investment property	**0**	**0**	**0**	**0**
Investment property held for sale	**9,460,000**	**0**	**0**	**9,460,000**

As at 31 December 2017	Level 1	Level 2	Level 3	Total fair value
	EUR	EUR	EUR	EUR
Investment property	**0**	**0**	**6,801,958**	**6,801,958**

Note 9 Payables to bank and credit institutions

Breakdown of payables to bank and credit institutions in the financial position	2018	2017
	EUR	EUR
Non-current liabilities	3,071,669	3,161,223
Current liabilities	119,277	119,277
Carrying amount at 31 December	**3,190,946**	**3,280,500**

Payables to bank and credit institutions fall due for payments as follows	2018	2017
	EUR	EUR
Within 1 year	119,277	119,277
Between 1 to 5 years	3,071,669	3,161,223
Over 5 years	0	0
Carrying amount at 31 December	**3,190,946**	**3,280,500**

1 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 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.

	2018	2017
	EUR	**EUR**
Carrying amount of bank loans	3,190,946	3,280,500
Unamortised borrowing costs	19,988	58,926
Principal amount of bank loans	**3,210,934**	**3,339,426**
Valuation of investment property	9,460,000	6,801,958
Loan to value ratio	34%	49%

Liquidity risks

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

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

At 31 December 2018	On demand	less than 1 year	1 to 5 years	> 5 years	Total
	EUR	**EUR**	**EUR**	**EUR**	**EUR**
Loans and borrowings	0	119,277	3,071,669	0	3,190,946
Payables to group enterprises	0	3,403,130	3,003,104	0	6,406,124
Trade and other payables	0	117,125	0	0	117,125
Accruals	0	53,452	0	0	53,452
	0	**3,692,983**	**6,074,773**	**0**	**9,767,756**

At 31 December 2017	On demand	less than 1 year	1 to 5 years	> 5 years	Total
	EUR	**EUR**	**EUR**	**EUR**	**EUR**
Loans and borrowings	0	119,277	3,161,223	0	3,280,500
Payables to group enterprises	0	3,479,981	2,823,104	0	6,303,085
Trade and other payables	0	98,190	0	0	98,190
Accruals	0	40,927	0	0	40,927
	0	**3,738,375**	**5,984,327**	**0**	**9,722,702**

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.

	2018	
Financial assets	Carrying amount	Fair value
	EUR	EUR
Trade and other receivables	18,423	18,423
Receivables from group enterprises	715,095	715,095
Financial assets	7	7
Cash	60,483	60,483
Loans and receivables	**794,009**	**794,009**

Financial liabilities	Carrying amount	Fair value
	EUR	EUR
Secured bank loans	3,190,946	3,192,915
Payables to group enterprises	6,406,234	6,406,234
Trade and other payables	117,125	117,125
Deferred Tax Liability	166,660	166,660
Accruals	53,452	53,452
Financial liabilities held	**9,934,416**	**9,936,385**

Note 11 Security for loans

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

	2018	2017
	EUR	**EUR**
Property carrying amount	**9,460,000**	**6,801,958**

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

Some of the Company's bank accounts are pledged with Hypo Noe Gruppe Bank AG, the amount held in these bank accounts as of 31 December 2018 amounted to EUR 2,179 (2017: EUR 29,633).

Note 12 Related parties

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

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

The Company does not have any employees.

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

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

Balances with group enterprises in EUR:

	Principal Amount	Balance outstanding 31 Dec 2018	Rate of interest	Maturity
	EUR	EUR	%	EUR
Payable fall due for payment within 5 years:				
MELF Investment Holding S.à r.l.	891,695	891,695	8.50%	31 Dec 2021
MELF Investment Holding S.à r.l.	627,611	627,611	8.50%	31 Dec 2021
MELF S.à r.l.	1,253,798	1,253,798	8.50%	31 Dec 2021
MELF S.à r.l.	230,000	230,000	2.50%	19 Dec 2021
Payable fall due for payment within 1 year:				
MELF S.à r.l.	3,275,479	3,275,479	0%	21 Jul 2019
MELF S.à r.l.	2,386	2,386	0%	On demand
MGM 1E ApS	11,257	11,257	0%	On demand
GRP 1A ApS	17,833	17,833	0%	On demand
GRP 1B ApS	94,513	94,513	0%	On demand
GRP 1B ApS	20	20	0%	On demand
GRP 1F ApS	925	925	0%	On demand
GRP 1K ApS	716	716	0%	On demand
Receivables:				
GRP 1A ApS	322	322	0%	On demand
GRP 1B ApS	694,773	694,773	0%	On demand
German Retail LuxCo S.à r.l.	20,000	20,000	0%	On demand

Note 13 Assets held for sale

	2018	2017
	EUR	EUR
Property held for sale	**9,460,000**	**0**

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

	2018	2017
	EUR	**EUR**
Sales proceeds	9,460,000	0
Cost basis	-8,987,838	0
Sales costs	-85,030	0
	387,132	**0**

Note 15 Subsequent events

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

Note 16 Comparative figures

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