

**Erika Holding ApS
Central Business Registration No
32270581
Bundgårdsvej 60
9000 Aalborg**

Annual report 2015

The Annual General Meeting adopted the annual report on 17.06.2016

Chairman of the General Meeting

Name: Erik Bent Hansen

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Entity details

Entity

Erlika Holding ApS
Bundgårdsvej 60
9000 Aalborg

Central Business Registration No: 32270581

Registered in: Aalborg

Financial year: 01.01.2015 - 31.12.2015

Executive Board

Lisbeth Somonsen Pelle, CEO

Erik Bent Hansen, CEO

Entity auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Gøteborgvej 18

9200 Aalborg SV

Statement by Management on the annual report

The Board of Directors have today considered and approved the annual report of Erika Holding ApS for the financial year 01.01.2015 - 31.12.2015.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2015 and of the results of its operations for the financial year 01.01.2015 - 31.12.2015.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Aalborg, 17.06.2016

Executive Board

Lisbeth Somonsen Pelle
CEO

Erik Bent Hansen
CEO

Independent auditor's reports

To the owners of Erika Holding ApS Report on the financial statements

We have audited the consolidated financial statements and parent financial statements of Erika Holding ApS for the financial year 01.01.2015 - 31.12.2015, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent. The consolidated financial statements and parent financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the consolidated financial statements and parent financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31.12.2015, and of the results of their operations for the financial year 01.01.2015 - 31.12.2015 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statement.

Independent auditor's reports

On this basis, it is our opinion that the information provided in the management commentary is consistent with the consolidated financial statements and parent financial statement.

Aalborg, 17.06.2016

Deloitte

Statsautoriseret Revisionspartnerselskab

Lars Birner Sørensen
State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The main activity of the Group is real estate investment and other investment activities.

Development in activities and finances

Net income for the year was a profit of DKK 7.754 k. Management considers the profit satisfactory.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements

The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence. Enterprises in which the Group, directly or indirectly, holds between 20% and 50% of the voting rights and exercises significant, but not controlling influence are regarded as associates.

Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Accounting policies

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Investments in subsidiaries are offset at the pro rata share of such subsidiaries' net assets at the takeover date, with net assets having been calculated at fair value.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Fair value adjustment of investment properties and related financial liabilities

Fair value adjustment of investment properties and related financial liabilities comprises adjustments for the financial year of the Entity's investment properties and related financial liabilities such as debt to mortgage credit institutions and bank debt at fair value.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Accounting policies

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing.

Other operating expenses

Other operating expenses comprise expenses of a secondary nature as viewed in relation to the Entity's primary activities.

Other financial income

Other financial income comprises dividends etc received on other investments, interest income, including interest income on receivables from group enterprises, net capital gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Income taxes

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment

5 years

There is no expected residual value after use.

Accounting policies

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investment properties

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus any directly related acquisition costs.

After initial recognition, the properties are measured at fair value which represents the amount at which the individual property may be sold to an independent buyer. The fair value of the properties is revalued annually based on value in use calculations for expected cash flows from the individual investment properties. When calculating values in use, a discount factor that reflects the current yield requirements on comparable properties is used. Fair value adjustments for the financial year are recognised in the income statement.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Other investments

Securities recognised under current assets comprise listed and unlisted investments measured at fair value (market price) at the balance sheet date.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Accounting policies

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to re-taxation of previously deducted losses of foreign subsidiaries is recognised based on a specific assessment of the purpose of the individual subsidiary,

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at fair value.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Consolidated income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Gross profit		2.866.953	2.704
Fair value adjustments of investment property		5.016.359	(551)
Fair value adjustments of debt		(107.449)	(108)
Depreciation, amortisation and impairment losses		(112.848)	(90)
Other operating expenses		(63.000)	0
Operating profit/loss		7.600.015	1.955
Other financial income	1	3.205.443	1.542
Other financial expenses	2	(1.572.199)	(3.086)
Profit/loss from ordinary activities before tax		9.233.259	411
Tax on profit/loss from ordinary activities	3	(1.478.798)	636
Profit/loss for the year		<u>7.754.461</u>	<u>1.047</u>
Proposed distribution of profit/loss			
Retained earnings		<u>7.754.461</u>	<u>1.047</u>
		<u>7.754.461</u>	<u>1.047</u>

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Investment property		87.700.000	79.150
Other fixtures and fittings, tools and equipment		508.009	390
Prepayments for property, plant and equipment		640.000	0
Property, plant and equipment	4	<u>88.848.009</u>	<u>79.540</u>
Fixed assets		<u>88.848.009</u>	<u>79.540</u>
Trade receivables		132.963	55
Receivables from group enterprises		352.364	0
Other short-term receivables		624.264	357
Prepayments		32.986	40
Receivables		<u>1.142.577</u>	<u>452</u>
Other investments		7.248.431	4.568
Other investments		<u>7.248.431</u>	<u>4.568</u>
Cash		<u>944.416</u>	<u>1.409</u>
Current assets		<u>9.335.424</u>	<u>6.429</u>
Assets		<u><u>98.183.433</u></u>	<u><u>85.969</u></u>

Consolidated balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital		125.000	125
Retained earnings		26.141.752	18.387
Equity		<u>26.266.752</u>	<u>18.512</u>
Provisions for deferred tax		4.176.553	2.704
Provisions		<u>4.176.553</u>	<u>2.704</u>
Mortgage debts		57.448.449	53.049
Other payables		2.589.495	1.778
Non-current liabilities other than provisions	6	<u>60.037.944</u>	<u>54.827</u>
Current portion of long-term liabilities other than provisions	6	813.147	1.991
Bank loans		4.506.195	6.134
Trade payables		4.698	63
Other payables		2.378.144	1.738
Current liabilities other than provisions		<u>7.702.184</u>	<u>9.926</u>
Liabilities other than provisions		<u>67.740.128</u>	<u>64.753</u>
Equity and liabilities		<u><u>98.183.433</u></u>	<u><u>85.969</u></u>
Subsidiaries	5		
Contingent liabilities	7		
Mortgages and securities	8		

Consolidated statement of changes in equity for 2015

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	18.387.291	18.512.291
Profit/loss for the year	0	7.754.461	7.754.461
Equity end of year	125.000	26.141.752	26.266.752

Notes to consolidated financial statements

	2015	2014
	DKK	DKK'000
1. Other financial income		
Financial income arising from group enterprises	3.377	0
Interest income	76	0
Fair value adjustments	2.680.501	0
Other financial income	521.489	1.542
	3.205.443	1.542
	2015	2014
	DKK	DKK'000
2. Other financial expenses		
Interest expenses	174.273	0
Other financial expenses	1.397.926	3.086
	1.572.199	3.086
	2015	2014
	DKK	DKK'000
3. Tax on profit/loss from ordinary activities		
Change in deferred tax for the year	1.478.798	(636)
	1.478.798	(636)

Notes to consolidated financial statements

	Investment property DKK	Other fix- tures and fittings, tools and equipment DKK	Prepayments for property, plant and equipment DKK
4. Property, plant and equipment			
Cost beginning of year	62.613.991	792.154	0
Additions	3.533.641	358.216	640.000
Disposals	0	(160.000)	0
Cost end of year	66.147.632	990.370	640.000
Depreciation and impairment losses beginning of the year	0	(401.513)	0
Depreciation for the year	0	(112.848)	0
Reversal regarding disposals	0	32.000	0
Depreciation and impairment losses end of the year	0	(482.361)	0
Fair value adjustments beginning of year	16.536.009	0	0
Fair value adjustments for the year	5.016.359	0	0
Fair value adjustments end of year	21.552.368	0	0
Carrying amount end of year	87.700.000	508.009	640.000

As stated in accounting policies, investment property is measured at fair value using a return-based model. The yield requirement for the Company's property has been set at an average of 5.02% per year. A deviation of the return requirement of +/- 0.5 percentage points would result in a change of fair value of DKK -1,598k / 1,272k.

	Registered in	Corpo- rate form	Equity inte- rest %
5. Subsidiaries			
Ejendomsselskabet VN 82	Aalborg	ApS	100,0
Ejendomsselskabet Kjellerupsgade 9, Aalborg ApS	Aalborg	ApS	100,0
Rantzausgade 1-5 ApS	Aalborg	ApS	100,0
Louisegade 17 ApS	Aalborg	ApS	100,0
Boliganpartsselskabet Boulevarden 26A, Aalborg	Aalborg	ApS	100,0
Prinsensgade 41 ApS	Aalborg	ApS	100,0
MHP Byg ApS	Aalborg	ApS	100,0
Danmarksgade 67 ApS	Aalborg	ApS	100,0

Notes to consolidated financial statements

	Instalments within 12 months 2015 DKK	Instalments within 12 months 2014 DKK'000	Instalments beyond 12 months 2015 DKK	Outstanding after 5 years DKK
6. Long-term liabilities other than provisions				
Mortgage debts	387.147	1.186	57.448.449	54.474.153
Other payables	426.000	805	2.589.495	619.000
	813.147	1.991	60.037.944	55.093.153

7. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which LPEH Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

8. Mortgages and securities

Mortgage debt is secured by way of mortgage on properties.

Bank debt payable to Nykredit Bank, DKK 2,210k is secured by way of a mortgage on properties of a carrying amount of DKK 27,500k.

The Group is liable for debt to Jyske Bank in Prinsessegade 61-63 ApS. The debt consists of DKK 11.192 k at 31.12.2015.

Parent income statement for 2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Gross loss		(201.912)	(31)
Income from investments in group enterprises		5.678.917	1.425
Other financial income	1	3.209.980	1.554
Other financial expenses	2	<u>(1.087.642)</u>	<u>(2.421)</u>
Profit/loss from ordinary activities before tax		7.599.343	527
Tax on profit/loss from ordinary activities	3	<u>155.118</u>	<u>520</u>
Profit/loss for the year		<u>7.754.461</u>	<u>1.047</u>
Proposed distribution of profit/loss			
Reserve for net revaluation according to the equity method		5.678.917	1.425
Retained earnings		<u>2.075.544</u>	<u>(378)</u>
		<u>7.754.461</u>	<u>1.047</u>

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Investments in group enterprises		41.329.519	35.651
Fixed asset investments	4	<u>41.329.519</u>	<u>35.651</u>
Fixed assets		<u>41.329.519</u>	<u>35.651</u>
Receivables from group enterprises		941.642	0
Deferred tax assets		502.419	612
Other short-term receivables		304.072	266
Receivables		<u>1.748.133</u>	<u>878</u>
Other investments		7.248.431	4.568
Other investments		<u>7.248.431</u>	<u>4.568</u>
Cash		<u>75.348</u>	<u>0</u>
Current assets		<u>9.071.912</u>	<u>5.446</u>
Assets		<u><u>50.401.431</u></u>	<u><u>41.097</u></u>

Parent balance sheet at 31.12.2015

	<u>Notes</u>	<u>2015 DKK</u>	<u>2014 DKK'000</u>
Contributed capital		125.000	125
Reserve for net revaluation according to the equity method		24.180.870	18.502
Retained earnings		1.960.882	(115)
Equity		<u>26.266.752</u>	<u>18.512</u>
Other payables		2.329.541	2.349
Non-current liabilities other than provisions	5	<u>2.329.541</u>	<u>2.349</u>
Current portion of long-term liabilities other than provisions	5	426.000	805
Bank loans		2.030.021	2.163
Payables to group enterprises		19.333.617	17.253
Other payables		15.500	15
Current liabilities other than provisions		<u>21.805.138</u>	<u>20.236</u>
Liabilities other than provisions		<u>24.134.679</u>	<u>22.585</u>
Equity and liabilities		<u><u>50.401.431</u></u>	<u><u>41.097</u></u>
Contingent liabilities	6		
Mortgages and securities	7		

Parent statement of changes in equity for 2015

	Contributed capital DKK	Reserve for net revaluati- on according to the equity method DKK	Retained ear- nings DKK	Total DKK
Equity beginning of year	125.000	18.501.953	(114.662)	18.512.291
Profit/loss for the year	<u>0</u>	<u>5.678.917</u>	<u>2.075.544</u>	<u>7.754.461</u>
Equity end of year	<u>125.000</u>	<u>24.180.870</u>	<u>1.960.882</u>	<u>26.266.752</u>

Notes to parent financial statements

	2015	2014
	DKK	DKK'000
1. Other financial income		
Financial income arising from group enterprises	7.990	16
Fair value adjustments	2.680.501	1.457
Other financial income	521.489	81
	3.209.980	1.554
	2015	2014
	DKK	DKK'000
2. Other financial expenses		
Financial expenses from group enterprises	363.351	355
Other financial expenses	724.291	2.066
	1.087.642	2.421
	2015	2014
	DKK	DKK'000
3. Tax on profit/loss from ordinary activities		
Change in deferred tax for the year	(155.118)	(577)
Adjustment concerning previous years	0	(13)
Effect of changed tax rates	0	70
	(155.118)	(520)
		Investments in
		group enter-
		prises
		DKK
4. Fixed asset investments		
Cost beginning of year		17.148.649
Cost end of year		17.148.649
Revaluations beginning of year		18.501.953
Share of profit/loss for the year		5.678.917
Revaluations end of year		24.180.870
Carrying amount end of year		41.329.519

Notes to parent financial statements

	Instalments within 12 months 2015 DKK	Instalments within 12 months 2014 DKK'000	Instalments beyond 12 months 2015 DKK	Outstanding after 5 years DKK
5. Long-term liabilities other than provisions				
Other payables	426.000	805	2.329.541	619.000
	426.000	805	2.329.541	619.000

6. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which LPEH Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

7. Mortgages and securities

The Company is liable for debt to Jyske Bank in Prinsessegade 61-63 ApS. The debt consists of DKK 11.192 k at 31.12.2015.