Datter Rosetum K/S

Rosengårdcentret
Ørbækvej 75, DK-5220 Odense SØ

CVR no. 32 34 89 20

Annual report 2018

Approved at the Company's annual general meeting on 26 April 2019

Chairman:

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Markus Oskar Schmitt-Habersack

Building a better
working world

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Statement by the Board of Directors

Today, the Management has discussed and approved the annual report of Datter Rosetum K/S for the financial year 1 January - 31 December 2018.

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

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2018 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Odense, 26 April 2019
Board of Directors:

Dr. Volker Kraft	Lasse Winther Thorsen	Martin Vang Hansen
Markus Oskar Schmitt-Habersack		

Independent auditor's report

To the limited partners of Datter Rosetum K/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Datter Rosetum K/S for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in net assets attributable to limited partners and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 26 April 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kaare K. Lendorf
State Authorised Public Accountant
mne33819

Management's review

Company details

Name	Datter Rosetum K/S
Address, Postal code, City	Rosengårdcentret Ørbækvej 75, DK-5220 Odense SØ
CVR no.	32 34 89 20
Registered office	Odense
Financial year	1 January - 31 December
Limited partners	RGC JV CO. S.á r.l. Arbejdsmarkedets Tillægspension
Board of Directors	Dr. Volker Kraft Lasse Winther Thorsen Martin Vang Hansen Markus Oskar Schmitt-Habersack
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights for the Group

DKK'000	2018	2017	2016	2015	2014
Key figures					
Revenue	151,871	154,669	155,705	151,232	141,964
Gross margin	120,685	122,259	126,355	127,107	114,328
Operating profit/loss	96,211	377,905	186,128	242,878	195,922
Net financials	-45,470	-45,338	-45,744	-45,911	-46,229
Profit/loss for the year	50,741	332,567	140,384	196,967	149,693
Total assets	3,828,862	3,785,020	3,461,114	3,379,445	3,170,023
Investment in property, plant and equipment	-84,784	-42,417	-13,633	-107,367	-47,407
Net assets attributable to limited partners	1,951,797	1,920,224	1,606,825	1,627,452	1,379,553
Financial ratios					
Operating margin	63.4%	244.3%	119.5%	160.6 %	138.0 %
Gross margin	79.5%	79.0%	81.2%	84.0%	80.5%
Return on assets	2.5%	10.4%	5.4%	7.4%	6.3%
Current ratio	68.5%	95.7%	43.7%	12.2%	20.9%
Solvency ratio	51.0%	50.7%	46.4%	48.2%	43.5%
Return on net assets attributable to limited partners	2.6%	18.9%	8.7%	13.1%	11.6%

Management's review

Business review

The Group's primary activity is to own and to carry on letting of real property.

Financial review

In 2018, the group's revenue amounted to DKK 151,871 thousand against DKK 154,669 thousand last year. The income statement for 2018 shows a profit of DKK 50,741 thousand against a profit of DKK 332,567 thousand last year, and the group's balance sheet at 31 December 2018 shows net assets attributable to limited partners of DKK 1,951,797 thousand.

Revenue for 2018 is below expectation.

Management considers the group's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Group's and the Parent Company's financial position have occurred subsequent to the financial year-end.

Outlook

For 2019 revenues are expected to amount to DKK 175.976 thousand. On this basis, a profit of DKK 69.188 thousand has been budgeted for 2019. The expectations are based on the assumption that the market value of the investment property remains unchanged.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK'000	Group 2018	Group 2017	Parent company 2018	Parent company 2017
	Revenue	151,871	154,669	122,520	122,609
	Other external expenses	-31,186	-32,410	-19,783	-24,060
	Gross margin	120,685	122,259	102,737	98,549
	Fair value adjustments of investment property	-24,474	255,646	-20,920	206,691
	Profit before net financials	96,211	377,905	81,817	305,240
	Income from investments in group entities	0	0	1,542	59,874
	Financial income	41	0	41	0
	Financial expenses	-45,511	-45,338	-32,659	-32,547
	Profit for the year	50,741	332,567	50,741	332,567

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	DKK'000	2018	2017	2018	2017
	ASSETS				
	Non-current assets				
2	Property, plant and equipment				
3	Investment property	3,731,547	3,688,931	2,828,397	2,828,729
	Lease incentives	50,453	41,069	39,141	36,874
		3,782,000	3,730,000	2,867,538	2,865,603
4	Financial assets				
	Investments in group entities, net asset value	0	0	387,627	386,084
		0	0	387,627	386,084
	Total non-current assets	3,782,000	3,730,000	3,255,165	3,251,687
	Current assets				
	Receivables				
	Trade receivables	4,502	2,178	4,116	2,142
	Other receivables	7,034	7,836	8,246	6,288
5	Prepayments	238	1,287	0	1,100
		11,774	11,301	12,362	9,530
	Cash	35,088	43,719	34,350	26,960
	Total current assets	46,862	55,020	46,712	36,490
	TOTAL ASSETS	3,828,862	3,785,020	3,301,877	3,288,177

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	DKK'000	2018	2017	2018	2017
	NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS AND LIABILITIES				
	NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS				
	Limited partnership capital	1,040,057	1,040,057	1,040,057	1,040,057
	Retained earnings	911,740	880,167	911,740	880,167
	Total net assets attributable to limited partners	1,951,797	1,920,224	1,951,797	1,920,224
6	Non-current liabilities				
	Mortgage debt	1,808,667	1,807,282	1,275,107	1,274,315
	Total non-current liabilities	1,808,667	1,807,282	1,275,107	1,274,315
	Current liabilities				
	Trade payables	20,277	10,980	15,117	9,657
	Payables to group entities	0	0	25,662	52,330
	Other payables	48,121	46,534	34,194	31,651
	Total current liabilities	68,398	57,514	74,973	93,638
	Total liabilities	1,877,065	1,864,796	1,350,080	1,367,953
	TOTAL NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS AND LIABILITIES	3,828,862	3,785,020	3,301,877	3,288,177

1 Accounting policies
7 Collateral
8 Related parties

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in net assets attributable to limited partners

Note	DKK'000	Group Limited partnership capital	 Retained earnings	 Total
	Net assets attributable to limited partners at 1 January 2018	1,040,057	880,167	1,920,224
	Transfer through appropriation of profit	0	31,573	31,573
	Net assets attributable to limited partners at 31 December 2018	1,040,057	911,740	1,951,797

Note	DKK'000	Parent company Limited partnership capital	 Retained earnings	 Total
	Net assets attributable to limited partners at 1 January 2018	1,040,057	880,167	1,920,224
9	Transfer, see "Appropriation of profit"	0	31,573	31,573
	Net assets attributable to limited partners at 31 December 2018	1,040,057	911,740	1,951,797

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group 2018	Group 2017
	Profit for the year	50,741	332,567
10	Adjustments	78,234	-202,244
	Cash generated from operations (operating activities)	128,975	130,323
11	Changes in working capital	10,411	3,635
	Cash generated from operations (operating activities)	139,386	133,958
	Interest received, etc.	41	0
	Interest paid, etc.	-44,126	-44,067
	Cash flows from operating activities	95,301	89,891
	Additions of property, plant and equipment	-84,784	-42,417
	Disposals of property, plant and equipment	20	0
	Cash flows to investing activities	-84,764	-42,417
	Dividends distributed	-19,168	-19,168
	Cash flows from financing activities	-19,168	-19,168
	Net cash flow	-8,631	28,306
	Cash and cash equivalents at 1 January	43,719	15,413
12	Cash and cash equivalents at 31 December	35,088	43,719

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Datter Rosetum K/S for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The figures regarding Datter Rosetum II K/S are included in the consolidated financial statements for Datter Rosetum K/S, and consequently there is no requirement to submit stand-alone financial statements for this entity. Instead of submitting stand-alone financial statements for Datter Rosetum II K/S, Management will submit an exemption statement in accordance with section 5(1) of the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company, Datter Rosetum K/S, and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Investment property

On initial recognition, investment property is measured at cost. Investment property is subsequently measured at fair value, and the value adjustment for the year is recognised in the income statement under the item "Fair value adjustment of investment property". The fair value is based on the expected future cash flows for the investment property.

Income statement

Revenue

Rental income receivable from operating leases is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis.

The lease period is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where at the inception of the lease the directors are reasonably certain that the tenant will exercise that option. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the income statement when they arise.

Service charges and expenses recoverable from tenants:
Income arising from expenses recharged to tenants is recognised in the period in which the expense can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue when the directors deem that the Group acts as principal and net when the directors deem that the Group acts as agent.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to sales activities, maintance, administration in general, bad debts, etc.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Profit from investments in subsidiaries

The item includes the Parent Company's proportionate share of the profit/loss for the year in subsidaries after elimination of intra-group income or losses.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses.

Tax

The financial statements do not include tax as the individual limited partners include results from the limited partnership in their income statements.

Balance sheet

Investments in subsidiaries

Investments in subsidiaries are measured according to the equity method.

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies. Subsidiaries with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the entity's deficit. Net revaluations of investments in subsidiaries are transferred to the net revaluation reserve according to the equity method where the carrying amount exceeds the acquisition cost.

Newly acquried of formed entities are recognised in the financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised up to the date of disposal.

Corporate acquisitions are accounted for using the purchase method accounting to which the acquried entity's identifiable assets and liabilities are measured at fair value at the date of acquisition. In connection with the acquisition, a provision is made for expenses related to adopted plans to restructure the acquired entity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Net assets attributable to limited partners

According to the Company's Articles of Association, the net results of operations are distributed to the limited partners in proportion to the individual limited partner's share of the Aggregate Commitments.

Any non-discretionary obligation to pay dividends entails a liability that must be recorded on initial recognition of the instrument.

The fact that the limited partners are entitled to a distribution of the net results of the operations establishes an additional liability for the Company, as the Company has a contractual obligation to pay cash in respect of both the redemption of paid commitment and the required dividend payments.

The liability must be recognised at an amount equal to the present value of both the redemption amount of the paid commitment and the non-discretionary dividends. As the dividends were set at market rate, this resulted in an overall liability classification of both the paid commitment and the required dividend payments.

The paid commitment and retained earnings have therefore been presented as net assets attributable to limited partners in the financial statements.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Cash flow statement

The cash flow statement shows the Group's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items and changes in working capital.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of investment property.

Cash flows from financing activities comprise changes in the size or composition of the Group's net assets and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines.

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit (EBIT) x 100}}{\text{Revenue}}$
Gross margin ratio	$\frac{\text{Gross margin x 100}}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activites x 100}}{\text{Average assets}}$
Current ratio	$\frac{\text{Current assets x 100}}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Net assets attributable to limited partners at year end x 100}}{\text{Total net assets attributable to limited partners and liabilities at year end}}$
Return on net assets attributable to limited partners	$\frac{\text{Profit/loss for the year after tax x 100}}{\text{Average net assets attributable to limited partners}}$

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

2 Property, plant and equipment

DKK'000	Group Investment property	 Lease incentives	 Total
Cost at 1 January 2018	3,009,367	54,378	3,063,745
Additions in the year	67,090	17,694	84,784
Disposals in the year	0	-20	-20
Transfer from other accounts	0	4,940	4,940
Cost at 31 December 2018	3,076,457	76,992	3,153,449
Revaluations at 1 January 2018	679,564	0	679,564
Revaluations in the year	-24,474	0	-24,474
Revaluations at 31 December 2018	655,090	0	655,090
Impairment losses and depreciation at 1 January 2018	0	13,309	13,309
Amortisation/depreciation in the year	0	8,290	8,290
Transferred	0	4,940	4,940
Impairment losses and depreciation at 31 December 2018	0	26,539	26,539
Carrying amount at 31 December 2018	3,731,547	50,453	3,782,000

DKK'000	Parent company Investment property	 Lease incentives	 Total
Cost at 1 January 2018	2,181,795	48,923	2,230,718
Additions in the year	20,588	7,928	28,516
Transfer from other accounts	0	4,926	4,926
Cost at 31 December 2018	2,202,383	61,777	2,264,160
Revaluations at 1 January 2018	646,934	0	646,934
Revaluations in the year	-20,920	0	-20,920
Revaluations at 31 December 2018	626,014	0	626,014
Impairment losses and depreciation at 1 January 2018	0	12,049	12,049
Amortisation/depreciation in the year	0	5,661	5,661
Transferred	0	4,926	4,926
Impairment losses and depreciation at 31 December 2018	0	22,636	22,636
Carrying amount at 31 December 2018	2,828,397	39,141	2,867,538

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

3 Investment property

Group

Fair value estimation

The independent appraisers Cushman & Wakefield | RED have been consulted for purposes of estimating the fair value of the investment property.

The valuation model used to estimate the fair value is a DCF model with a ten-year budget model.

Expected future cash flows are based on budgets approved by Management for the coming years and an estimated terminal value for the remaining life of the property. The discount factor comprises the risk-free interest rate and a risk premium for the property.

The most significant fair value assumptions are the following:

- Discount rate 6.50%
- Exit yield 4.50%
- Inflation rate 2.00 %
- First year NOI net of capex DKK 140.2 million and terminal NOI DKK 213.1 million, Extraordinary capex DKK 43.5 million in 2019.

4 Investments

DKK'000	Parent company Investments in group entities, net asset value
Cost at 1 January 2018	317,500
Cost at 31 December 2018	317,500
Value adjustments at 1 January 2018	68,584
Share of the profit/loss for the year	1,543
Value adjustments at 31 December 2018	70,127
Carrying amount at 31 December 2018	387,627

Parent company

Name	Legal form	Domicile	Interest	Net assets attributable to limited partners DKK'000	Profit/loss DKK'000
Subsidiaries					
Datter Rosetum II	K/S	Odense	100.00%	387,627	1,543

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

5 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years DKK 238 thousand (2017: DKK 1,287 thousand).

Parent company

Prepayments include accrual of expenses relating to subsequent financial years, DKK 0 thousand (2017: DKK 1,100 thousand).

6 Non-current liabilities

	Group			
DKK'000	Total debt at 31/12 2018	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	1,808,667	0	1,808,667	1,519,348
	1,808,667	0	1,808,667	1,519,348

Amortised borrowing costs recognised in mortgage debt represent DKK 16,246 thousand.

	Parent company			
DKK'000	Total debt at 31/12 2018	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	1,275,107	0	1,275,107	1,074,172
	1,275,107	0	1,275,107	1,074,172

Amortised borrowing costs recognised in mortgage debt represents DKK 9,403 thousand.

7 Collateral

Group

As security for the Group's debt to mortgage credit institutions, DKK 1,808,667 thousand, the Group has pledged land and buildings. The total carrying amount of the assets placed as security was DKK 3,731,547 thousand at 31 December 2018.

Parent company

As security for the parent company's debt to mortgage credit institutions, DKK 1,275,107 thousand, the parent company has placed land and buildings as security. The total carrying amount of the assets placed as security was DKK 2,828,397 thousand at 31 December 2018.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

8 Related parties

Parent company

Datter Rosetum K/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
ECE European Prime Shopping Centre SCS SICAF SIF A	Luxembourg	Participating interest
ECE European Prime Shopping Centre SCS SICAF SIF B	Luxembourg	Participating interest
ECE European Prime Shopping Centre SCS SICAF SIF C	Luxembourg	Participating interest
Arbejdsmarkedets Tillægspension	Denmark	Participating interest

Transactions with related parties

All internal group transactions have been carried through on an arm's length basis.

		Parent company	
	DKK'000	2018	2017
9	Appropriation of profit		
	Recommended appropriation of profit		
	Didivend common investors	19,168	19,168
	Retained earnings	31,573	313,399
		50,741	332,567

		Group	
	DKK'000	2018	2017
10	Adjustments		
	Amortisation/depreciation and impairment losses	8,290	8,064
	Financial income	-41	0
	Financial expenses	45,511	45,338
	Fair value adjustments of investment property	24,474	-255,646
		78,234	-202,244
11	Changes in working capital		
	Change in receivables	-471	-5,600
	Change in trade payables, etc.	10,882	5,998
	Other changes in working capital	0	3,237
		10,411	3,635
12	Cash and cash equivalents at year-end		
	Cash according to the balance sheet	35,088	43,719
		35,088	43,719