

# Datter Rosetum K/S

Rosengårdcentret  
Ørbækvej 75, DK-5220 Odense SØ

CVR no. 32 34 89 20



## Annual report 2015

Approved at the annual general meeting of shareholders on 3 May 2016

Chairman:

Stig Christensen



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### Statement by the Executive Board

The Management has today discussed and approved the annual report of Datter Rosetum K/S for the financial year 1 January - 31 December 2015.

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 Group's and the Company's financial position at 31 December 2015 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 2015.

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.

Hamburg, 3 May 2016  
Executive Board:

  
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Dr. Volker Kraft

  
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Lasse Winther Thorsen

  
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Allan Mikkelsen

  
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Ruediger J. Cornehl

## Statement by the Executive Board

The Management has today discussed and approved the annual report of Datter Rosetum K/S for the financial year 1 January - 31 December 2015.

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 Group's and the Company's financial position at 31 December 2015 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 2015.

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.

Hamburg, 3 May 2016  
Executive Board:

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Dr. Volker Kraft



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Lasse Winther Thorsen



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Allan Mikkelsen

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Ruediger J. Cornehl

## Independent auditors' report

To the limited partners of Datter Rosetum K/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

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 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies for the group as well as the company, and a cash flow statement for the group. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

*Management's responsibility for the consolidated financial statements and the parent company 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 that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

*Auditors' responsibility*

Our responsibility is to express an opinion on the consolidated financial statements and the parent Company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company 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 the parent company financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company 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 Company'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 evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

Our audit has not resulted in any qualification.

*Opinion*

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 31 December 2015 and of the results of the Group's and the Company's operations, and the consolidated cash flow for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.



## Independent auditors' report

### Statement on the Management's review

Pursuant to the Danish Financial Statements Act, we have read the Management's review. We have not performed any other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 3 May 2016  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28

A handwritten signature in blue ink, appearing to read 'Kaare K. Lendorf'.

Kaare Kristensen Lendorf  
state authorised public accountant



## Management's review

### Company details

Name	Datter Rosetum K/S
Address, Postal code, City	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. ATP Arbejdsmarkedets Tillægspension
Executive Board	Dr. Volker Kraft Lasse Winther Thorsen Allan Mikkelsen Ruediger J. Cornehl
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P O Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Financial highlights for the Group

DKK'000	2015 12 months	2014 12 months	2013 14 months
<b>Key figures</b>			
Revenue	151,232	141,964	119,390
Gross margin	127,107	114,328	99,463
Operating profit	242,878	195,922	258,480
Net financials	-45,911	-46,229	-36,641
Profit/loss for the year	196,967	149,693	221,839
<b>Total assets</b>			
Investment in property, plant and equipment	107,367	47,407	2,853,220
Equity	1,627,452	1,379,553	1,212,019
<b>Financial ratios</b>			
Operating margin	160.6%	138.0%	216.5%
Gross margin	84.0%	80.5%	83.3%
Return on assets	7.4%	6.3%	8.5%
Current ratio	12.2%	20.9%	19.2%
Solvency ratio	48.2%	43.5%	39.8%
Return on equity	13.1%	11.6%	18.3%

Key figures for 2013 have not been adjusted to the changed accounting policies regarding measurement of financial liabilities relating to the Group's investment property.





## Management's review

### Operating review

#### The Group's business review

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

#### Financial review

In 2015, the group's revenue came in at DKK 151,232 thousand against DKK 141,964 thousand last year. The income statement for 2015 shows a profit of DKK 196,967 thousand against a profit of DKK 149,693 thousand last year, and the balance sheet at 31 December 2015 shows equity of DKK 1,627,452 thousand.

Revenues are below expectation, but the profit is significantly higher than expected mainly due the change in the market value of the investment property.

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

The accounting policies have been changed for a few issues. Please see the deepening in note 1 "Accounting policies".

#### Post balance sheet events

No significant events have occurred subsequent to the financial year.

#### Outlook

For 2016 revenue is expected to amount to DKK 169,000 thousand. On this basis, a profit of DKK 84,000 thousand has been budgeted for 2016. 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 for  
the period 1 January - 31 December

Income statement

Note	DKK'000	Group		Parent company	
		2015	2014	2015	2014
	Revenue	151,232	141,964	117,295	106,183
	Other external expenses	-24,125	-27,636	-18,764	-23,692
	Gross profit	127,107	114,328	98,531	82,491
	Fair value adjustments of investment property	115,771	81,594	104,905	53,833
	Operating profit	242,878	195,922	203,436	136,324
	Income from investments in group entities	0	0	26,984	47,051
	Financial income	3	12	3	0
	Financial expenses	-45,914	-46,241	-33,456	-33,682
	Profit for the year	196,967	149,693	196,967	149,693
	Proposed profit appropriation				
	Dividend common equity			19,168	19,168
	Retained earnings			177,799	130,525
				196,967	149,693

Consolidated financial statements and parent company financial statements for  
 the period 1 January - 31 December

## Balance sheet

Note	DKK'000	Group		Parent company	
		2015	2014	2015	2014
		<b>ASSETS</b>			
		Non-current assets			
2	Property, plant and equipment				
3	Investment property	3,343,289	3,149,001	2,559,765	2,402,641
	Lease incentives	26,711	0	22,585	0
		<u>3,370,000</u>	<u>3,149,001</u>	<u>2,582,350</u>	<u>2,402,641</u>
4	Investments				
	Investments in group entities, net asset value	0	0	297,737	288,754
		<u>0</u>	<u>0</u>	<u>297,737</u>	<u>288,754</u>
	<b>Total non-current assets</b>	<u><b>3,370,000</b></u>	<u><b>3,149,001</b></u>	<u><b>2,880,087</b></u>	<u><b>2,691,395</b></u>
	Current assets				
	Receivables				
	Trade receivables	336	408	3	408
	Receivables from group entities	0	0	26,077	629
	Other receivables	7,897	2,641	2,943	2,247
5	Deferred income	88	435	122	291
		<u>8,321</u>	<u>3,484</u>	<u>29,145</u>	<u>3,575</u>
	Cash	1,124	17,538	0	7,777
	<b>Total current assets</b>	<u><b>9,445</b></u>	<u><b>21,022</b></u>	<u><b>29,145</b></u>	<u><b>11,352</b></u>
	<b>TOTAL ASSETS</b>	<u><b>3,379,445</b></u>	<u><b>3,170,023</b></u>	<u><b>2,909,232</b></u>	<u><b>2,702,747</b></u>

Consolidated financial statements and parent company financial statements for  
the period 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2015	2014	2015	2014
		<b>EQUITY AND LIABILITIES</b>			
		Equity			
6	Limited partnership capital	1,122,300	1,052,200	1,122,300	1,052,200
	Retained earnings	505,152	327,353	505,152	327,353
	<b>Total equity</b>	<b>1,627,452</b>	<b>1,379,553</b>	<b>1,627,452</b>	<b>1,379,553</b>
		Liabilities other than provisions			
7	Non-current liabilities other than provisions				
	Mortgage debt	1,674,337	1,689,762	1,226,850	1,238,276
		<b>1,674,337</b>	<b>1,689,762</b>	<b>1,226,850</b>	<b>1,238,276</b>
		Current liabilities other than provisions			
7	Current portion of long-term liabilities	16,905	17,259	12,365	12,624
	Overdraft	3,798	0	3,798	0
	Trade payables	10,707	10,945	4,321	9,719
	Other payables	46,246	72,504	34,446	62,575
		<b>77,656</b>	<b>100,708</b>	<b>54,930</b>	<b>84,918</b>
	<b>Total liabilities other than provisions</b>	<b>1,751,993</b>	<b>1,790,470</b>	<b>1,281,780</b>	<b>1,323,194</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,379,445</b>	<b>3,170,023</b>	<b>2,909,232</b>	<b>2,702,747</b>
1	Accounting policies				
8	Collateral				
9	Related parties				

Consolidated financial statements and parent company financial statements for  
the period 1 January - 31 December

Statement of changes in equity

DKK'000	Group		
	Limited partnership capital	Retained earnings	Total
Equity at 1 January 2015	1,052,200	327,353	1,379,553
Capital increase	70,100	0	70,100
Profit/loss for the year	0	177,799	177,799
Equity at 31 December 2015	1,122,300	505,152	1,627,452

Due to changes in the accounting policy, the equity has increased by DKK 114,604 thousand compared to last year.

DKK'000	Parent company		
	Limited partnership capital	Retained earnings	Total
Equity at 1 January 2015	1,052,200	327,353	1,379,553
Capital increase	70,100	0	70,100
Profit/loss for the year	0	177,799	177,799
Equity at 31 December 2015	1,122,300	505,152	1,627,452

Due to changes in the accounting policy, the equity has increased by DKK 114,604 thousand compared to last year.

Consolidated financial statements and parent company financial statements for  
the period 1 January - 31 December

Cash flow statement

Notes	DKK'000	Group	
		2015	2014
	Profit for the year	196,967	149,693
10	Adjustments	-67,721	-35,365
	Cash generated from operations (operating activities)	129,246	114,328
11	Changes in working capital	-31,333	-3,755
	Cash generated from operations (operating activities)	97,913	110,573
	Interest received, etc.	3	12
	Interest paid, etc.	-45,065	-45,381
	Cash flows from operating activities	52,851	65,204
	Disposals of intangible assets	0	0
	Additions of property, plant and equipment	-107,367	-47,407
	Sale of financial assets	0	0
	Acquisition of companies	0	0
	Cash flows from investing activities	-107,367	-47,407
	Dividends distributed	-19,168	-19,168
	Dividends paid	0	0
	Proceeds of debt to credit institutions	0	0
	Repayments, long-term liabilities	-16,628	-16,357
	Acquisition of treasury shares	0	0
	Cash capital increase	70,100	29,900
	Cash flows from financing activities	34,304	-5,625
	Net cash flow	-20,212	12,172
	Cash and cash equivalents at 1 January	17,538	5,366
12	Cash and cash equivalents at 31 December	-2,674	17,538

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Datter Rosetum K/S for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards medium-sized reporting class C enterprises.

#### Changes in accounting policies

A number of amendments to the Danish Financial Statements Act have been adopted which enter into force and effect for financial years commencing on or after 1 January 2016. The Group has decided to partly implement the amendments in the financial statements for 2015.

As a consequence of the amendments, the Company's accounting policies have been changed as regards measurement of financial liabilities relating to the Company's investment property.

Financial liabilities relating to the Company's investment property is now measured at amortised cost. Previously, they were measured at fair value.

Apart from the above-mentioned change, the accounting policies are consistent with those of last year.

Comparative figures have been restated in the balance sheet, income statement and notes.

The accumulated effect to the above policy changes:

Consolidated financial statements and parent company financial statements for  
the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

		Group					
		2015			2014		
		Former accounting policies	Restatement due to change in accounting policies	Changed accounting policies	Former accounting policies	Restatement due to change in accounting policies	Changed accounting policies
cf. above	DKK'000						
	The income statement						
	Revenue	151,232	0	151,232	141,964	0	141,964
	Other external expenses	-24,125	0	-24,125	-27,636	0	-27,636
	Gross profit	127,107	0	127,107	114,328	0	114,328
	Fair value adjustments of investment property	115,771	0	115,771	81,594	0	81,594
	Fair value adjustment of debt related to investment property	6,188	-6,188	0	-108,355	108,355	0
	Operating profit	249,066	-6,188	242,878	87,567	108,355	195,922
	Financial income	3	0	3	12	0	12
	Financial expenses	-45,065	-849	-45,914	-45,381	-860	-46,241
	Profit for the year	204,004	-7,037	196,967	42,198	107,495	149,693
	The balance sheet						
	Property, plant and equipment	3,370,000	0	3,370,000	3,149,001	0	3,149,001
	Current assets	9,445	0	9,445	21,022	0	21,022
	Total assets	3,379,445	0	3,379,445	3,170,023	0	3,170,023
	Equity	1,519,885	107,567	1,627,452	1,264,949	114,604	1,379,553
	Liabilities other than provisions	1,859,560	-107,567	1,751,993	1,905,074	-114,604	1,790,470
	Total equity and liabilities	3,379,445	0	3,379,445	3,170,023	0	3,170,023



Consolidated financial statements and parent company financial statements for  
the period 1 January - 31 December

## Notes to the financial statements

## 1 Accounting policies (continued)

		Parent company					
		2015			2014		
cf.		Former accounting policies	Restatement due to change in accounting policies	Changed accounting policies	Former accounting policies	Restatement due to change in accounting policies	Changed accounting policies
above	DKK '000						
	The income statement						
	Revenue	117,295	0	117,295	106,183	0	106,183
	Other external expenses	-18,764	0	-18,764	-23,692	0	-23,692
	Gross profit	98,531	0	98,531	82,491	0	82,491
	Fair value adjustments of investment property	104,905	0	104,905	53,833	0	53,833
	Fair value adjustment of debt related to investment property	4,526	-4,526	0	-79,254	79,254	0
	Operating profit	207,962	-4,526	203,436	57,070	79,254	136,324
	Income from investments in group entities	29,018	-2,034	26,984	18,327	28,724	47,051
	Financial income	3	0	3	0	0	0
	Financial expenses	-32,979	-477	-33,456	-33,199	-483	-33,682
	Profit for the year	204,004	-7,037	196,967	42,198	107,495	149,693
	The balance sheet						
	Property, plant and equipment	2,582,350	0	2,582,350	2,402,641	0	2,402,641
	Investments	266,659	31,078	297,737	255,639	33,115	288,754
	Current assets	29,145	0	29,145	11,352	0	11,352
	Total assets	2,878,154	31,078	2,909,232	2,669,632	33,115	2,702,747
	Equity	1,519,885	107,567	1,627,452	1,264,949	114,604	1,379,553
	Liabilities other than provisions	1,358,269	-76,489	1,281,780	1,404,683	-81,489	1,323,194
	Total equity and liabilities	2,878,154	31,078	2,909,232	2,669,632	33,115	2,702,747

## Reporting currency

The financial statements are presented in Danish kroner.

## Consolidation

The consolidated financial statements comprise the parent, Datter Rosetum K/S, and entities controlled by the parent. Control is presumed to exist when the parent owns, directly or indirectly, more than half of the voting power of an entity. Control may also exist by virtue of an agreement or articles of association or when the parent otherwise has a controlling interest in the subsidiary or actually exercises controlling influence over it.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether control exists.

The consolidated entities' financial statements are prepared in accordance with the accounting policies applied by the parent. The consolidated financial statements are prepared on the basis of the financial statements of the consolidated entities by adding together like items. Intra-group income, expenses, gains, losses, investments, dividends and balances are eliminated. Investments in consolidated entities are set off by the parent's proportionate share of the consolidated entity's fair value of assets and liabilities at the time of acquisition.

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

The purchase method of accounting is applied to the acquisition of subsidiaries. The cost is made up at the net present value of the consideration agreed plus directly attributable expenses. Conditional payments are recognised at the amount expected to be paid. Identifiable assets and liabilities in the acquired entities are recognised at the fair value at the time of acquisition. Provisions for restructuring expenses relating to the acquired entity are recognised if the restructuring has been decided at the time of acquisition. Allowance is made for the tax effect of revaluations of assets and liabilities. Any residual difference between the cost and the group's share of the fair value of the identifiable assets and liabilities is recognised as goodwill or negative goodwill.

Entities over which the group exercises significant influence are considered associates. Significant influence is presumed to exist when the group directly or indirectly holds between 20% and 50% of the voting rights or otherwise has or actually exercises significant influence. Associates are recognised in the consolidated financial statements at their net asset value.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at 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 rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

#### Investment property and relating debt

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 'Fair value adjustment of investment property'. The fair value is based on the expected future cash flows for the investment property. Debt relating to investment property is measured at amortised cost. The cost of the year is recognised in the income statement under 'financial cost'.

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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 consider that the Group acts as principal and net when the directors consider that the Group acts as agent.

###### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

###### Income from investments in group entities

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

###### 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 as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

###### Tax

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

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Balance sheet

##### Investments in group entities

On initial recognition, investments in subsidiaries and associates are measured at cost and subsequently at the proportionate share of the enterprises' net asset values calculated in accordance with the parent company's accounting policies less or plus any residual value of positive or negative goodwill determined in accordance with the acquisition method. Subsidiaries and associates with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such enterprises 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 enterprise's deficit. Net revaluations of investments in subsidiaries and associates are transferred to the net revaluation reserve according to the equity method in so far as the carrying amount exceeds the acquisition cost.

Enterprises acquired or formed during the year are recognised in the financial statements from the date of acquisition or formation. Enterprises disposed of are recognised up to the date of disposal.

Acquisitions of new subsidiaries and associates are accounted for using the purchase method, according to which the assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of revaluations made is taken into account.

##### Receivables

Receivables are measured at amortised cost.

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

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs 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.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities which are subject to an insignificant risk of changes in value.

## Consolidated financial statements and parent company financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### Cash flow statement

The cash flow statement shows the entity's net cash flows, broken down by operating, investing and financing activities, the year's changes in cash and cash equivalents and the entity's 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, changes in working capital and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs as well as the 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 marketable securities which are subject to an insignificant risk of changes in value.

##### Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities}}{\text{Average assets} \times 100}$
Current ratio	$\frac{\text{Current assets} \times 100}{\text{Current liabilities}}$
Solvency ratio	$\frac{\text{Equity at year end} \times 100}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

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Notes to the financial statements

2 Property, plant and equipment

DKK'000	Group		
	Investment property	Lease incentives	Total
Cost at 1 January 2015	2,900,628	0	2,900,628
Additions in the year	78,517	28,850	107,367
Cost at 31 December 2015	2,979,145	28,850	3,007,995
Cost at	248,373	0	248,373
Revaluations in the year	115,771	0	115,771
Value adjustments at 31 December 2015	364,144	0	364,144
Impairment losses and depreciation at 1 January 2015	0	0	0
Amortisation/depreciation in the year	0	2,139	2,139
Impairment losses and depreciation at 31 December 2015	0	2,139	2,139
Carrying amount at 31 December 2015	3,343,289	26,711	3,370,000
	Parent company		
DKK'000	Investment property	Lease incentives	Total
Cost at 1 January 2015	2,114,307	0	2,114,307
Additions in the year	52,219	24,650	76,869
Cost at 31 December 2015	2,166,526	24,650	2,191,176
Cost at	288,334	0	288,334
Revaluations in the year	104,905	0	104,905
Value adjustments at 31 December 2015	393,239	0	393,239
Impairment losses and depreciation at 1 January 2015	0	0	0
Amortisation/depreciation in the year	0	2,065	2,065
Impairment losses and depreciation at 31 December 2015	0	2,065	2,065
Carrying amount at 31 December 2015	2,559,765	22,585	2,582,350

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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 values 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.

*Significant fair value assumptions*

The most significant fair value assumptions are the following:

- Discount rate 6.65%
- Exit yield 4.75%
- Inflation rate 2.00%
- First year NOI DKK 131.1 million and terminal NOI DKK 200.8 million

4 Investments

DKK'000	<u>Parent company</u> Investments in group entities, net asset value
Cost at 1 January 2015	317,500
Cost at 31 December 2015	317,500
Value adjustments at 1 January 2015	-28,746
Dividend distributed	-18,000
Revaluations for the year	26,983
Value adjustments at 31 December 2015	-19,763
Carrying amount at 31 December 2015	<u>297,737</u>

Due to changes in accounting policies regarding measurement of financial liabilities relating to the investment property, the value adjustments at 1 January 2015 related to investment in group entities increased by DKK 33,115 thousand.

DKK'000	<u>Legal form</u>	<u>Domicile</u>	<u>Interest</u>	<u>Equity</u>	<u>Profit/loss</u>
Subsidiaries					
Datter Rosetum II K/S	K/S	Odense	100.00 %	297,737	26,983

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Notes to the financial statements

5 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, including rent, DKK 88 thousand (2014: DKK 435 thousand).

Parent company

Prepayments include accrual of expenses relating to subsequent financial years, including rent, DKK 122 thousand (2014: DKK 262 thousand).

6 Limited partnership capital

Analysis of changes in the limited partnership capital over the past 3 years:

DKK'000	2015	2014	2013
Opening balance	1,052,200	1,022,300	0
Capital increase	70,100	29,900	1,022,300
	<u>1,122,300</u>	<u>1,052,200</u>	<u>1,022,300</u>

7 Long-term liabilities

Group

DKK'000	Total debt at 31/12 2015	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	1,691,242	16,905	1,674,337	1,562,216
	<u>1,691,242</u>	<u>16,905</u>	<u>1,674,337</u>	<u>1,562,216</u>

Amortised borrowing costs recognised in mortgage debt represent DKK 12,885 thousand.

Parent company

DKK'000	Total debt at 31/12 2015	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	1,239,215	12,365	1,226,850	1,146,883
	<u>1,239,215</u>	<u>12,365</u>	<u>1,226,850</u>	<u>1,146,883</u>

Amortised borrowing costs recognised in mortgage debt represents DKK 7,233 thousand.



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### Notes to the financial statements

#### 8 Collateral

##### Group

As security for the Group's debt to mortgage credit institutions, DKK 1,704,127 thousand, the Group has pledged land and buildings. The total carrying amount of the assets placed as security was DKK 3,343,290 thousand at 31 December 2015.

Further, an all-moneys mortgage of DKK 240,000 thousand has been recorded for the Group's properties.

##### Parent company

As security for the parent company's debt to mortgage credit institutions, DKK 1,246,448 thousand, the parent company has placed land and buildings as security. The total carrying amount of the assets placed as security was DKK 2,559,766 thousand at 31 December 2015.

Further, an all-moneys mortgage of DKK 240,000 thousand has been recorded for the parent company's properties.

#### 9 Related parties

##### Group

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

Related party transactions not carried through on normal market terms

There are no related party transactions that have not been carried through on normal market terms.

##### Parent company

##### 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
ATP	Denmark	Participating interest

Related party transactions not carried through on normal market terms

There are no related party transactions that have not been carried through on normal market terms.

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Notes to the financial statements

DKK'000	Group	
	2015	2014
10 Adjustments		
Amortisation/depreciation and impairment losses	2,139	0
Financial income	-3	-12
Financial expenses	45,914	46,241
Fair value adjustments of investment property	-115,771	-81,594
	<u>-67,721</u>	<u>-35,365</u>
11 Changes in working capital		
Change in receivables	-4,837	8,201
Change in trade payables, etc.	-238	-1,687
Other adjustments in working capital	-26,258	-10,269
	<u>-31,333</u>	<u>-3,755</u>
12 Cash and cash equivalents at year end		
Cash and cash equivalents according to the balance sheet	1,124	17,538
Short-term debt to banks	-3,798	0
	<u>-2,674</u>	<u>17,538</u>