Datter Rosetum K/S

Rosengårdcentret
Ørbækvej 75, DK-5220 Odense SØ

CVR no. 32 34 89 20

Annual report 2016

Approved at the annual general meeting of shareholders on 25 April 2017

Chairman:

....
Stig Christensen

Building a better
working world

Contents

Statement by the Executive Board

Today, the Management has discussed and approved the annual report of Datter Rosetum K/S for the financial year 1 January - 31 December 2016.

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 2016 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 2016.

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, 25 April 2017
Executive Board:

Dr. Volker Kraft

Lasse Winther Thorsen

Allan Mikkelsen

Ruediger J. Cornehl

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 2016, which comprise an income statement, balance sheet, statement of changes in equity, consolidated cash flow statement and notes, including accounting policies, for both the Group and the Parent Company. 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 2016, and of the results of the Group and parent Company's operations as well as the consolidated cash flows for the financial year 1 January - 31 December 2016 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" section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities 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 as 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.

In preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 these consolidated financial statements and parent company 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 skepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 consolidated financial statements and the Parent Company 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 consolidated financial statements and the Parent Company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is 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 consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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 Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company 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 consolidated financial statements or the parent company 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 consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 25 April 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kaare Kristensen Lendorf
State Authorised Public Accountant

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. ATP Arbejdsmarkedets Tillægspension
Executive Board	Dr. Volker Kraft Lasse Winther Thorsen Allan Mikkelsen Ruediger J. Cornehl
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	2016	2015	2014
Key figures			
Revenue	155,705	151,232	141,964
Gross margin	126,355	127,107	114,328
Operating profit/loss	186,128	242,878	195,922
Net financials	-45,744	-45,911	-46,229
Profit/loss for the year	**140,384**	**196,967**	**149,693**
Total assets	3,461,114	3,379,445	3,170,023
Investment in property, plant and equipment	-13,633	-107,367	-47,407
Net assets attributable to limited partners	**1,606,825**	**1,627,452**	**1,379,553**
Financial ratios			
Operating margin	119.5%	160.6%	138.0%
Gross margin	81.2%	84.0%	80.5%
Return on assets	5.4%	7.4%	6.3%
Current ratio	43.7%	12.2%	20.9%
Solvency ratio	46.4%	48.2%	43.5%
Return on net assets attributable to limited partners	8.7%	13.1%	11.6%

Management's review

Management commentary

Business review

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

Financial review

In 2016, the group's revenue came in at DKK 155,705 thousand against DKK 151,232 thousand last year. The income statement for 2016 shows a profit of DKK 140,384 thousand against DKK 196,967 thousand last year, and the group's balance sheet at 31 December 2016 shows equity of DKK 1,606,825 thousand.

Revenues are 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 Company's financial position have occurred subsequent to the financial year-end.

Outlook

For 2017 revenues are expected to amount to DKK 157.024 thousand. On this basis, a profit of DKK 68.365 thousand has been budgeted for 2017. The expectations are based on the assumption that the marked value of the investment property remains unchanged

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

Income statement

		Group		Parent company	
Note	DKK'000	2016	2015	2016	2015
	Revenue	155,705	151,232	120,209	117,295
	Other external expenses	-29,350	-24,125	-22,107	-18,764
	Gross margin	126,355	127,107	98,102	98,531
	Fair value adjustments of investment property	59,773	115,771	47,005	104,905
	Profit before net financials	186,128	242,878	145,107	203,436
	Income from investments in group entities	0	0	28,474	26,984
	Financial income	1	3	1	3
	Financial expenses	-45,745	-45,914	-33,198	-33,456
	Profit for the year	140,384	196,967	140,384	196,967

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

Balance sheet

		Group		Parent company	
Note	DKK'000	2016	2015	2016	2015
	ASSETS				
	Non-current assets				
2	**Property, plant and equipment**				
3	Investment property	3,413,445	3,343,289	2,612,692	2,559,765
	Lease incentives	26,555	26,711	22,879	22,585
		3,440,000	3,370,000	2,635,571	2,582,350
4	**Financial assets**				
	Investments in group entities, net asset value	0	0	326,210	297,737
		0	0	326,210	297,737
	Total non-current assets	3,440,000	3,370,000	2,961,781	2,880,087
	Current assets				
	Receivables				
	Trade receivables	3,796	336	3,796	3
	Receivables from group entities	0	0	28,433	26,077
	Other receivables	1,727	7,897	515	2,943
5	Prepayments	178	88	178	122
		5,701	8,321	32,922	29,145
	Cash	15,413	1,124	8,708	0
	Total Current assets	21,114	9,445	41,630	29,145
	TOTAL ASSETS	3,461,114	3,379,445	3,003,411	2,909,232

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

Balance sheet

		Group		Parent company	
Note	DKK'000	2016	2015	2016	2015
	NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS AND LIABILITIES				
	Net assets attributable to limited partners				
6	Limited partnership capital	1,040,057	1,122,300	1,040,057	1,122,300
	Retained earnings	566,768	505,152	566,768	505,152
	Total net assets attributable to limited partners	1,606,825	1,627,452	1,606,825	1,627,452
7	**Non-current liabilities**				
	Mortgage debt	1,806,011	1,674,337	1,273,575	1,226,850
	Total non-current liabilities	1,806,011	1,674,337	1,273,575	1,226,850
	Current liabilities				
	Mortgage debt	0	16,905	0	12,365
	Overdraft	0	3,798	0	3,798
	Trade payables	4,982	10,707	4,066	4,321
	Other payables	43,296	46,246	118,945	34,446
	Total current liabilities	48,278	77,656	123,011	54,930
	Total liabilities	1,854,289	1,751,993	1,396,586	1,281,780
	TOTAL NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS AND LIABILITIES	3,461,114	3,379,445	3,003,411	2,909,232

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 net assets attributable to limited partners

		Group		
	DKK'000	Limited partnership capital	Retained earnings	Total
	Net assets attributable to limited partners at 1 January 2016	1,122,300	505,152	1,627,452
	Capital reduction	-82,243	0	-82,243
10	Transfer, see "Appropriation of profit"	0	61,616	61,616
	Net assets attributable to limited partners at 31 December 2016	1,040,057	566,768	1,606,825

The limited partnership commitment has been reduced from DKK 1,422,300 thousand to DKK 1,093,329 thousand in 2016.

In addition to the reduction of the partnership commitment the paid commitment has been reduced with DKK 82,243 thousand by a repayment to the preferred equity investors.

		Parent company		
Note	DKK'000	Limited partnership capital	Retained earnings	Total
	Net assets attributable to limited partners at 1 January 2016	1,122,300	505,152	1,627,452
	Capital reduction	-82,243	0	-82,243
10	Transfer, see "Appropriation of profit"	0	61,616	61,616
	Net assets attributable to limited partners at 31 December 2016	1,040,057	566,768	1,606,825

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

Cash flow statement

Note	DKK'000	Group 2016	Group 2015
	Profit for the year	140,384	196,967
11	Adjustments	-10,923	-67,721
	Cash generated from operations (operating activities)	129,461	129,246
12	Changes in working capital	-6,055	-31,333
	Cash generated from operations (operating activities)	123,406	97,913
	Interest received, etc.	1	3
	Interest paid, etc.	-45,745	-45,065
	Cash flows from operating activities	77,662	52,851
	Additions of property, plant and equipment	-13,633	-107,367
	Disposals of property, plant and equipment	300	0
	Cash flows to investing activities	-13,333	-107,367
	Dividends distributed	-78,768	-19,168
	Proceeds of long-term liabilities	115,432	0
	Repayments, long-term liabilities	-663	-16,628
	Cash capital increase	0	70,100
	Cash capital reduction	-82,243	0
	Cash flows from financing activities	-46,242	34,304
	Net cash flow	18,087	-20,212
	Cash and cash equivalents at 1 January	-2,674	17,538
13	**Cash and cash equivalents at 31 December**	15,413	-2,674

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 2016 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, why 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.

Changes in accounting policies

As a consequence of the changes in the Danish Financial Statements Act the accounting policies have been changed. The changes did enter into full force a 1 January 2016 but the Company did implement the changes regarding recognition of mortgage debt already in the 2015 financial statements, however changes regarding the recognition of equity and financial liabilities was postponed until 2016 financial statements.

The changes in the Danish Financial Statements Act imply that the applicable IFRS standards must be used as interpretation on classification of equity and financial liabilities.

According to the Companies Articles of Association the net result of operations shall be distributed among the limited partners in proportion to their individual limited partner's share of the Aggregate Commitments.

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

The fact that limited partner is entitled to have net result of the operations payed out establish an additional liability for the Company as the Company have a contractual obligation to pay cash in respect of both the redemption of paid commitment and the required dividend payments.

The liability have to 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 resulting in an overall liability classification of both the paid commitment and the required dividend payment.

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

Reporting currency

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

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 impact of potential voting rights that are actually exercisable or convertible are taken into account when assessing whether control exists.

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 consolidated financial statements have been 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 in so far as they do not reflect impairment.

Corporate acquisitions are accounted for using the purchase method, according to which the acquired entity's identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Restructuring costs recognised in the acquired entity before the date of acquisition and not agreed as part of the acquisition are part of the acquisition balance sheet and, hence, the calculation of goodwill. Restructuring costs decided by the acquiring entity must be recognised in the income statement. Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill) is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset.

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 '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 Company'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 Company'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 subsidiaries

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 minus or plus any residual value of positive or negative goodwill calculated in accordance with the purchase method of accounting. 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 acquired or 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 according to which the acquired 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. 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 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short term securities which are readily convertible into cash and subject only to minor risks 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 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.

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

Notes to the financial statements

1 Accounting policies (continued)

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 under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
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 for the period 1 January - 31 December

Notes to the financial statements

2 Property, plant and equipment

	Group		
DKK'000	Investment property	Lease incentives	Total
Cost at 1 January 2016	2,979,145	28,850	3,007,995
Additions in the year	10,383	3,250	13,633
Disposals in the year	0	-300	-300
Cost at 31 December 2016	2,989,528	31,800	3,021,328
Value adjustments at 1 January 2016	364,144	0	364,144
Revaluations in the year	59,773	0	59,773
Value adjustments at 31 December 2016	423,917	0	423,917
Impairment losses and depreciation at 1 January 2016	0	2,139	2,139
Amortisation/depreciation in the year	0	3,148	3,148
Amortisation/depreciation and impairment of disposals in the year	0	-42	-42
Impairment losses and depreciation at 31 December 2016	0	5,245	5,245
Carrying amount at 31 December 2016	3,413,445	26,555	3,440,000

	Parent company		
DKK'000	Investment property	Lease incentives	Total
Cost at 1 January 2016	2,166,526	24,650	2,191,176
Additions in the year	5,923	3,233	9,156
Disposals in the year	0	-300	-300
Cost at 31 December 2016	2,172,449	27,583	2,200,032
Value adjustments at 1 January 2016	393,239	0	393,239
Revaluations in the year	47,004	0	47,004
Value adjustments at 31 December 2016	440,243	0	440,243
Impairment losses and depreciation at 1 January 2016	0	2,065	2,065
Amortisation/depreciation in the year	0	2,681	2,681
Amortisation/depreciation and impairment of disposals in the year	0	-42	-42
Impairment losses and depreciation at 31 December 2016	0	4,704	4,704
Carrying amount at 31 December 2016	2,612,692	22,879	2,635,571

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

Notes to the financial statements

3 Investment property

Group

Fair value estimation

The independent appraisers Cushman & Wakefield 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 125.8 million and terminal NOI DKK 208.6 million, extraordinary capex DKK 56,9 million in 2017 and DKK 82,7 million in 2018.

4 Investments

DKK'000	Parent company Investments in group entities, net asset value
Cost at 1 January 2016	317,500
Cost at 31 December 2016	317,500
Value adjustments at 1 January 2016	-19,763
Share of the profit/loss for the year	28,473
Value adjustments at 31 December 2016	8,710
Carrying amount at 31 December 2016	326,210

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 %	326,210	28,473

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

Notes to the financial statements

5 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, including rent, DKK 178 thousand (2015: DKK 88 thousand).

Parent company

Prepayments include accrual of expenses relating to subsequent financial years, including rent, DKK 178 thousand (2015: DKK 122 thousand).

6 Limited partnership capital

Analysis of changes in the limited partnership capital over the past 4 years:

DKK'000	2016	2015	2014	2013
Opening balance	1,122,300	1,052,200	1,022,300	0
Capital increase	0	70,100	29,900	1,022,300
Capital reduction	-82,243	0	0	0
	1,040,057	1,122,300	1,052,200	1,022,300

7 Non-current liabilities

	Group			
DKK'000	Total debt at 31/12 2016	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	1,806,011	0	1,806,011	1,686,812
	1,806,011	0	1,806,011	1,686,812

Amortised borrowing costs recognised in mortgage debt represent DKK 18,902 thousand.

	Parent company			
DKK'000	Total debt at 31/12 2016	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	1,273,575	0	1,273,575	1,190,897
	1,273,575	0	1,273,575	1,190,897

Amortised borrowing costs recognised in mortgage debt represents DKK 10,935 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 1,824,843 thousand, the Group has pledged land and buildings. The total carrying amount of the assets placed as security was DKK 3,413,743 thousand at 31 December 2016.

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 1,284.510 thousand, the parent company has placed land and buildings as security. The total carrying amount of the assets placed as security was DKK 2,612,990 thousand at 31 December 2016.

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

9 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
ATP	Denmark	Participating interest

Group enterprise transactions not carried through on normal market terms

There are no group enterprise transactions that have not been carried through on normal market terms.

DKK'000	Parent company 2016	Parent company 2015
10 Appropriation of profit/loss		
Recommended appropriation of profit		
Didivend common investors	78,768	19,168
Retained earnings	61,616	177,799
	140,384	196,967

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Notes to the financial statements

DKK'000	Group 2016	Group 2015
11 Adjustments		
Amortisation/depreciation and impairment losses	3,106	2,139
Financial income	-1	-3
Financial expenses	45,745	45,914
Fair value adjustments of investment property	-59,773	-115,771
	-10,923	-67,721
12 Changes in working capital		
Change in receivables	2,620	-4,837
Change in trade payables, etc.	-5,725	-238
Other changes in working capital	-2,950	-26,258
	-6,055	-31,333
13 Cash and cash equivalents at year-end		
Cash according to the balance sheet	15,413	1,124
Short-term debt to banks	0	-3,798
	15,413	-2,674