

# Datter Rosetum K/S

Rosengårdcentret  
Ørbækvej 75, DK-5220 Odense SØ

CVR no. 32 34 89 20

## Annual report 2017

Approved at the Company's annual general meeting on 24 April 2018

Chairman:



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Karoline Nader-Gräff





## Contents

<b>Statement by the Board of Directors</b>	<b>2</b>
<b>Independent auditor's report</b>	<b>3</b>
<b>Management's review</b>	<b>6</b>
<b>Consolidated financial statements and parent company financial statements 1 January - 31 December</b>	<b>9</b>
Income statement	9
Balance sheet	10
Statement of changes in net assets attributable to limited partners	12
Cash flow statement	13
Notes to the financial statements	14

## 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 2017.

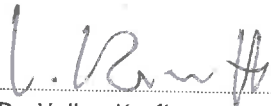
The annual report is prepared in accordance with the Danish Financial Statements Act.

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 2017 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 2017.

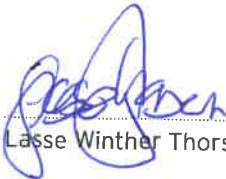
Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Odense, 24 April 2018  
Board of Directors



Dr. Volker Kraft



Lasse Winther Thorsen



Allan Mikkelsen



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 2017, 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 2017, 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 2017 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" (hereinafter 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, 24 April 2018  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Kaare K. Lendorf  
State Authorised Public Accountant  
MNE no.: 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. ATP Arbejdsmarkedets Tillægspension
Board of Directors	Dr. Volker Kraft Lasse Winther Thorsen Allan Mikkelsen 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	2017	2016	2015	2014	2013
<b>Key figures</b>					
Revenue	154,669	155,705	151,232	141,964	119,390
Gross margin	122,259	126,355	127,107	114,328	99,463
Operating profit/loss	377,905	186,128	242,878	195,922	258,480
Net financials	-45,338	-45,744	-45,911	-46,229	-36,641
<b>Profit/loss for the year</b>	<b>332,567</b>	<b>140,384</b>	<b>196,967</b>	<b>149,693</b>	<b>221,839</b>
<b>Balance sheet</b>					
Total assets	3,785,020	3,461,114	3,379,445	3,170,023	3,042,490
Investment in property, plant and equipment	-42,417	-13,633	-107,367	-47,407	2,853,220
<b>Net assets attributable to limited partners</b>	<b>1,920,224</b>	<b>1,606,825</b>	<b>1,627,452</b>	<b>1,379,553</b>	<b>1,212,019</b>
<b>Financial ratios</b>					
Operating margin	244.3%	119.5%	160.6%	138.0 %	216.5 %
Gross margin	79.0%	81.2%	84.0%	80.5%	83.3%
Return on assets	10.4%	5.4%	7.4%	6.3%	8.5%
Current ratio	95.7%	43.7%	12.2%	20.9%	19.2%
Solvency ratio	50.7%	46.4%	48.2%	43.5%	39.8%
Return on net assets attributable to limited partners	18.9%	8.7%	13.1%	11.6%	18.3%



## **Management's review**

### **Business review**

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

### **Financial review**

In 2017, the group's revenue amounted to DKK 154,669 thousand against DKK 155,705 thousand last year. The income statement for 2017 shows a profit of DKK 332,567 thousand against a profit of DKK 140,384 thousand last year, and the group's balance sheet at 31 December 2017 shows net assets attributable to limited partners of DKK 1,920,224 thousand.

Due to the successful settlement of new shops, such as Normal, revenues are above 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 2018 revenues are expected to amount to DKK 177,631 thousand. On this basis, a profit of DKK 82,919 thousand has been budgeted for 2018. 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 1 January - 31 December

### Income statement

Note	DKK'000	Group		Parent company	
		2017	2016	2017	2016
	<b>Revenue</b>	154,669	155,705	122,609	120,209
	Other external expenses	-32,410	-29,350	-24,060	-22,107
	<b>Gross margin</b>	122,259	126,355	98,549	98,102
	Fair value adjustments of investment property	255,646	59,773	206,691	47,005
	<b>Profit before net financials</b>	377,905	186,128	305,240	145,107
	Income from investments in group entities	0	0	59,874	28,474
	Financial income	0	1	0	1
	Financial expenses	-45,338	-45,745	-32,547	-33,198
	<b>Profit for the year</b>	332,567	140,384	332,567	140,384

**Consolidated financial statements and parent company financial statements 1 January - 31 December****Balance sheet**

Note	DKK'000	Group		Parent company	
		2017	2016	2017	2016
	<b>ASSETS</b>				
	<b>Non-current assets</b>				
2	<b>Property, plant and equipment</b>				
3	Investment property	3,688,931	3,413,445	2,828,729	2,612,692
	Lease incentives	41,069	26,555	36,874	22,879
		<u>3,730,000</u>	<u>3,440,000</u>	<u>2,865,603</u>	<u>2,635,571</u>
4	<b>Financial assets</b>				
	Investments in group entities, net asset value	0	0	386,084	326,210
		<u>0</u>	<u>0</u>	<u>386,084</u>	<u>326,210</u>
	<b>Total non-current assets</b>	<u>3,730,000</u>	<u>3,440,000</u>	<u>3,251,687</u>	<u>2,961,781</u>
	<b>Current assets</b>				
	<b>Receivables</b>				
	Trade receivables	2,178	3,796	2,142	3,796
	Receivables from group entities	0	0	0	28,433
	Other receivables	7,836	1,727	6,288	515
5	Prepayments	1,287	178	1,100	178
		<u>11,301</u>	<u>5,701</u>	<u>9,530</u>	<u>32,922</u>
	<b>Cash</b>	<u>43,719</u>	<u>15,413</u>	<u>26,960</u>	<u>8,708</u>
	<b>Total current assets</b>	<u>55,020</u>	<u>21,114</u>	<u>36,490</u>	<u>41,630</u>
	<b>TOTAL ASSETS</b>	<u>3,785,020</u>	<u>3,461,114</u>	<u>3,288,177</u>	<u>3,003,411</u>

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

### Balance sheet

Note	DKK'000	Group		Parent company	
		2017	2016	2017	2016
		<b>NET ASSETS</b>			
		<b>ATTRIBUTABLE TO LIMITED PARTNERS AND LIABILITIES</b>			
		<b>NET ASSETS</b>			
		<b>ATTRIBUTABLE TO LIMITED PARTNERS</b>			
		Limited partnership capital			
		1,040,057	1,040,057	1,040,057	1,040,057
		880,167	566,768	880,167	566,768
		<b>Total net assets attributable to limited partners</b>			
		1,920,224	1,606,825	1,920,224	1,606,825
6	<b>Non-current liabilities</b>				
	Mortgage debt	1,807,282	1,806,011	1,274,315	1,273,575
	<b>Total non-current liabilities</b>	1,807,282	1,806,011	1,274,315	1,273,575
	<b>Current liabilities</b>				
	Trade payables	10,980	4,982	9,657	4,066
	Payables to group entities	0	0	52,330	0
	Other payables	46,534	43,296	31,651	118,945
	<b>Total current liabilities</b>	57,514	48,278	93,638	123,011
	<b>Total liabilities</b>	1,864,796	1,854,289	1,367,953	1,396,586
	<b>TOTAL NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS AND LIABILITIES</b>	<b>3,785,020</b>	<b>3,461,114</b>	<b>3,288,177</b>	<b>3,003,411</b>

- 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

		Group		
Note	DKK'000	Limited partnership capital	Retained earnings	Total
	Net assets attributable to limited partners at 1 January 2017	1,040,057	566,768	1,606,825
	Transfer through appropriation of profit	0	313,399	313,399
	<b>Net assets attributable to limited partners at 31 December 2017</b>	<b>1,040,057</b>	<b>880,167</b>	<b>1,920,224</b>
		Parent company		
Note	DKK'000	Limited partnership capital	Retained earnings	Total
	Net assets attributable to limited partners at 1 January 2017	1,040,057	566,768	1,606,825
9	Transfer, see "Appropriation of profit"	0	313,399	313,399
	<b>Net assets attributable to limited partners at 31 December 2017</b>	<b>1,040,057</b>	<b>880,167</b>	<b>1,920,224</b>

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

### Cash flow statement

Note	DKK'000	Group	
		2017	2016
	Profit for the year	332,567	140,384
10	Adjustments	-202,244	-10,923
	Cash generated from operations (operating activities)	130,323	129,461
11	Changes in working capital	3,635	-6,055
	Cash generated from operations (operating activities)	133,958	123,406
	Interest received, etc.	0	1
	Interest paid, etc.	-44,067	-45,745
	<b>Cash flows from operating activities</b>	<b>89,891</b>	<b>77,662</b>
	Additions of property, plant and equipment	-42,417	-13,633
	Disposals of property, plant and equipment	0	300
	<b>Cash flows to investing activities</b>	<b>-42,417</b>	<b>-13,333</b>
	Dividends distributed	-19,168	-78,768
	Proceeds of long-term liabilities	0	115,432
	Repayments, long-term liabilities	0	-663
	Cash capital reduction	0	-82,243
	<b>Cash flows from financing activities</b>	<b>-19,168</b>	<b>-46,242</b>
	<b>Net cash flow</b>	<b>28,306</b>	<b>18,087</b>
	Cash and cash equivalents at 1 January	15,413	-2,674
12	<b>Cash and cash equivalents at 31 December</b>	<b>43,719</b>	<b>15,413</b>

## 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 2017 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.

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, Datter Rosetum K/S and entities 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.

#### 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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

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'.

#### 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 subsidiaries

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.



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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### 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 accounting 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.

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

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Prepayments

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

##### Cash

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.

##### Net assets attributable to limited partners

According to the Companies' 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.

##### 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.

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

### **Notes to the financial statements**

#### **1 Accounting policies (continued)**

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 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.

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

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

## 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 2017	2,989,528	31,800	3,021,328
Additions in the year	19,839	22,578	42,417
Cost at 31 December 2017	3,009,367	54,378	3,063,745
Revaluations at 1 January 2017	423,917	0	423,917
Revaluations in the year	255,647	0	255,647
Revaluations at 31 December 2017	679,564	0	679,564
Impairment losses and depreciation at 1 January 2017	0	5,245	5,245
Amortisation/depreciation in the year	0	8,064	8,064
Impairment losses and depreciation at 31 December 2017	0	13,309	13,309
<b>Carrying amount at 31 December 2017</b>	<b>3,688,931</b>	<b>41,069</b>	<b>3,730,000</b>

DKK'000	Parent company		
	Investment property	Lease incentives	Total
Cost at 1 January 2017	2,172,449	27,583	2,200,032
Additions in the year	9,346	21,340	30,686
Cost at 31 December 2017	2,181,795	48,923	2,230,718
Value adjustments at 1 January 2017	440,243	0	440,243
Revaluations in the year	206,691	0	206,691
Value adjustments at 31 December 2017	646,934	0	646,934
Impairment losses and depreciation at 1 January 2017	0	4,704	4,704
Amortisation/depreciation in the year	0	7,345	7,345
Impairment losses and depreciation at 31 December 2017	0	12,049	12,049
<b>Carrying amount at 31 December 2017</b>	<b>2,828,729</b>	<b>36,874</b>	<b>2,865,603</b>

## 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 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 6.50%
- ▶ Exit yield 4.50%
- ▶ Inflation rate 2.00 %
- ▶ First year NOI DKK 118,8 million and terminal NOI DKK 216,5 million, Extraordinary capex DKK 49.1 million in 2018 and DKK 52.0 million in 2019.

#### 4 Investments

DKK'000	<u>Parent company</u> <u>Investments in</u> <u>group entities,</u> <u>net asset value</u>
Cost at 1 January 2017	317,500
Cost at 31 December 2017	317,500
Value adjustments at 1 January 2017	8,710
Share of the profit/loss for the year	59,874
Value adjustments at 31 December 2017	68,584
<b>Carrying amount at 31 December 2017</b>	<b>386,084</b>

##### Parent company

Name	Legal form	Domicile	Interest	Net assets attributable to limited partners DKK'000	Profit/loss DKK'000
<b>Subsidiaries</b>					
Datter Rosetum II	K/S	Odense	100.00%	386,084	59,874

## 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, including rent, DKK 1,287 thousand (2016: DKK 178 thousand).

##### Parent company

Prepayments include accrual of expenses relating to subsequent financial years, including rent, DKK 1,100 thousand (2016: DKK 178 thousand).

#### 6 Non-current liabilities

DKK'000	Group			
	Total debt at 31/12 2017	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	1,807,282	0	1,807,282	1,597,422
	1,807,282	0	1,807,282	1,597,422

Amortised borrowing costs recognised in mortgage debt represent DKK 17,631 thousand.

DKK'000	Parent company			
	Total debt at 31/12 2017	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	1,274,315	0	1,274,315	1,128,254
	1,274,315	0	1,274,315	1,128,254

Amortised borrowing costs recognised in mortgage debt represents DKK 10,195 thousand.

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

### Notes to the financial statements

#### 7 Collateral

##### Group

As security for the Group's debt to mortgage credit institutions, DKK 1,824,913 thousand, the Group has pledged land and buildings. The total carrying amount of the assets placed as security was DKK 3,688,931 thousand at 31 December 2017.

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 2,828,729 thousand at 31 December 2017.

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

#### 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
ATP	Denmark	Participating interest

##### Transactions with related parties

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

DKK'000	Parent company	
	2017	2016
<b>9 Appropriation of profit</b>		
<b>Recommended appropriation of profit</b>		
Dividend common investors	19,168	78,768
Retained earnings	313,399	61,616
	<b>332,567</b>	<b>140,384</b>



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

### Notes to the financial statements

DKK'000	Group	
	2017	2016
<b>10 Adjustments</b>		
Amortisation/depreciation and impairment losses	8,064	3,106
Financial income	0	-1
Financial expenses	45,338	45,745
Fair value adjustments of investment property	-255,646	-59,773
	<u>-202,244</u>	<u>-10,923</u>
<b>11 Changes in working capital</b>		
Change in receivables	-5,600	2,620
Change in trade payables, etc.	5,998	-5,725
Other changes in working capital	3,237	-2,950
	<u>3,635</u>	<u>-6,055</u>
<b>12 Cash and cash equivalents at year-end</b>		
Cash according to the balance sheet	43,719	15,413
	<u>43,719</u>	<u>15,413</u>