

Nordsjælland Ejendomsinvest II ApS

Fridtjof Nansens Plads 5, 2100 København Ø

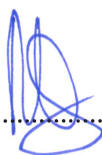
CVR no. 32 44 88 36



Annual report 2016

Approved at the annual general meeting of shareholders on 9 May 2017

Chairman:



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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Nordsjælland Ejendomsinvest II ApS 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 financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 9 May 2017
Executive Board:



Mette Krog Hansen



Katarzyna Jolanta
Ciesielska



Robert McCorduck

Independent auditors' report

To the shareholders of Nordsjælland Ejendomsinvest II ApS

Opinion

We have audited the financial statements of Nordsjælland Ejendomsinvest II ApS for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016, and of the results of the Company operations 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 financial statements" section of our report. We are independent of the company 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 financial statements

Management is responsible for the preparation of 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 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 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 about 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 judgment and maintain professional skepticism throughout the audit. We also:

- ▶ 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 company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditors' report

- ▶ 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 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 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 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.

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.

Statement on 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 our procedures, 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 Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 9 May 2017

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Morten Schougaard Sørensen
State Authorised Public Accountant



Management's review

Company details

Name	Nordsjælland Ejendomsinvest II ApS
Address, Postal code, City	Fridtjof Nansens Plads 5, 2100 København Ø
CVR no.	32 44 88 36
Established	12 September 2009
Registered office	Copenhagen
Financial year	1 January - 31 December
Executive Board	Mette Krog Hansen Katarzyna Jolanta Ciesielska Robert McCorduck
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark



Management's review

Management commentary

Business review

It is the company's objective to own and hold ownership interest in companies, to purchase, own, sell, rent and rent out real estate and all other related activities.

Financial review

The income statement for 2016 shows a profit of DKK 424,656 against a profit of DKK 258,796 last year, and the balance sheet at 31 December 2016 shows an equity of DKK 1,816,674.

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

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end 2016.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2016	2015
	Gross margin	726,023	556,132
	Amortisation/depreciation and impairment of property, plant and equipment	-186,583	-186,583
	Profit before net financials	539,440	369,549
2	Financial income	267,500	250,002
3	Financial expenses	-261,961	-280,475
	Profit before tax	544,979	339,076
4	Tax for the year	-120,323	-80,280
	Profit for the year	<u>424,656</u>	<u>258,796</u>
	 Recommended appropriation of profit		
	Retained earnings	<u>424,656</u>	<u>258,796</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2016</u>	<u>2015</u>
	ASSETS		
	Non-current assets		
5	Property, plant and equipment		
	Land and buildings	9,879,523	10,060,607
		<u>9,879,523</u>	<u>10,060,607</u>
	Total non-current assets	<u>9,879,523</u>	<u>10,060,607</u>
	Current assets		
	Receivables		
	Receivables from group entities	5,773,092	5,359,054
	Other receivables	21,508	8,476
	Deferred income	6,311	4,096
		<u>5,800,911</u>	<u>5,371,626</u>
	Total Current assets	<u>5,800,911</u>	<u>5,371,626</u>
	TOTAL ASSETS	<u><u>15,680,434</u></u>	<u><u>15,432,233</u></u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2016</u>	<u>2015</u>
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	500,000	500,000
	Retained earnings	<u>1,316,674</u>	<u>892,018</u>
	Total equity	<u>1,816,674</u>	<u>1,392,018</u>
7	Non-current liabilities		
	Mortgage debt	8,452,177	8,452,177
	Other payables	<u>584,498</u>	<u>553,788</u>
	Total non-current liabilities	<u>9,036,675</u>	<u>9,005,965</u>
	Current liabilities		
	Bank debt	4,535,371	4,555,439
	Trade payables	2,176	56,758
	Income taxes payable	211,072	219,635
	Other payables	<u>78,466</u>	<u>202,418</u>
	Total current liabilities	<u>4,827,085</u>	<u>5,034,250</u>
	Total liabilities	<u>13,863,760</u>	<u>14,040,215</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>15,680,434</u></u>	<u><u>15,432,233</u></u>

- 1 Accounting policies
- 8 Contractual obligations and contingencies, etc.
- 9 Contingent assets
- 10 Collateral

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2015	500,000	633,222	1,133,222
Profit/loss for the year	0	258,796	258,796
Equity at 1 January 2016	500,000	892,018	1,392,018
Profit/loss for the year	0	424,656	424,656
Equity at 31 December 2016	500,000	1,316,674	1,816,674

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Nordsjællands Ejendomsinvest II ApS has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

Changes in accounting policies

Effective 1 January 2016, the Company has adopted act no. 738 of 1 July 2015. This implies changes in the recognition and measurement in the following areas:

Yearly reassessment of residual values of property, plant and equipment.

In future, residual values of property, plant and equipment will be subject to annual reassessment. The Company has no significant residual values relating to property, plant and equipment other than those relating to the Company's land. Consequently, the change is made with future effect only as a change in accounting estimates with no impact on equity.

None of the above changes impacts on the income statement or the balance sheet for 2016 or the comparative figures.

Apart from the above new and changed presentation and disclosure requirements, which follow from act. no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

The financial statements have otherwise been presented in accordance with the same accounting policies as were applied last year. Comparative figures have been restated to reflect the policy change.

Income statement

Revenue

Rent comprises rental income from the leases of properties. Rent is recognised on an accruals basis.

Rent is measured net of all types of discounts/rebates granted. Also, rent is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Depreciation

The item comprises depreciation of property, plant and equipment.

Buildings 50 years

Land is not depreciated.

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 etc.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its group entities are jointly taxed. The income tax charge is allocated between profit making and loss making Danish entities in proportion to their taxable income).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Impairment of non-current assets

Property, plant and equipment are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount.

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.

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.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, 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. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

DKK	2016	2015
2 Financial income		
Interest, receivable group entities	267,500	250,000
Other interest income	0	2
	267,500	250,002
3 Financial expenses		
Other interest expenses	261,961	280,475
	261,961	280,475
	261,961	280,475
4 Tax for the year		
Estimated tax charge for the year	120,323	78,229
Tax adjustments, prior years	0	2,051
	120,323	80,280
5 Property, plant and equipment		
DKK		Land and buildings
Cost at 1 January 2016		11,226,750
Additions in the year		5,499
Cost at 31 December 2016		11,232,249
Impairment losses and depreciation at 1 January 2016		1,166,143
Amortisation/depreciation in the year		186,583
Impairment losses and depreciation at 31 December 2016		1,352,726
Carrying amount at 31 December 2016		9,879,523

6 Share capital

The Company's share capital has remained DKK 500,000 over the past 5 years.

Analysis of changes in the share capital over the past 5 years:

DKK	2016	2015	2014	2013	2012
Opening balance	500,000	500,000	500,000	500,000	500,000
	500,000	500,000	500,000	500,000	500,000
	500,000	500,000	500,000	500,000	500,000



Financial statements for the period 1 January - 31 December

Notes to the financial statements

7 Non-current liabilities

Of the long-term liabilities, DKK 8,452 thousand falls due for payment after more than 5 years after the balance sheet date.

Other payables comprises of deposit and prepaid rent.

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

The company is jointly taxed with Neptune GR Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest and dividends.

9 Contingent assets

The company has a deferred tax asset of DKK 17 thousand that has not been capitalized.

10 Collateral

As security for the company's mortgage debt, the company has placed assets with carrying amount of DKK 9,880 thousand.

The Company has provided a letter of indemnity totalling DKK 5,000 thousand for the company's bank loan.