

Nordsjællands Ejendomsinvest II ApS

Amaliegade 15, 2. sal, 1256 København K

CVR no. 32 44 88 36



Annual report 2015

Approved at the annual general meeting of shareholders on 11 May 2016

Chairman:



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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Nordsjællands Ejendomsinvest II ApS for the financial year 1 January - 31 December 2015.

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

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 11 May 2016
Executive Board:



Mette Krog Hansen



Katarzyna Jolanta
Ciesielska



Robert McCorduck

Independent auditors' report on the financial statements

To the shareholders of Nordsjællands Ejendomsinvest II ApS

We have audited the financial statements of Nordsjællands Ejendomsinvest II ApS for the financial year 1 January - 31 December 2015, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

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

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements according to Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Our audit has not resulted in any qualification.

Opinion

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

Odense, 11 May 2016
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR No. 30 70 02 28



Morten Schougaard Sørensen
State Authorised Public Accountant



Management's review

Name	Nordsjællands Ejendomsinvest II ApS
Address, Postal code, City	Amaliegade 15, 2. sal, 1256 København K
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

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2015 12 months	2013/14 18 months
	Gross profit	556,132	1,064,426
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-186,583	-279,874
	Operating profit	369,549	784,552
4	Financial income	250,002	2,645,983
5	Financial expenses	-280,475	-493,636
	Profit before tax	339,076	2,936,899
6	Tax for the year	-80,280	-181,273
	Profit for the year	<u>258,796</u>	<u>2,755,626</u>
	Proposed profit appropriation		
	Retained earnings	<u>258,796</u>	<u>2,755,626</u>
		<u>258,796</u>	<u>2,755,626</u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	<u>2015</u>	<u>2014</u>
	ASSETS		
	Non-current assets		
7	Property, plant and equipment		
	Land and buildings	10,060,607	10,159,324
		<u>10,060,607</u>	<u>10,159,324</u>
	Total non-current assets	<u>10,060,607</u>	<u>10,159,324</u>
	Current assets		
	Receivables		
	Receivables from group entities	5,359,054	5,044,272
	Other receivables	8,476	171,294
	Deferred income	4,096	13,870
		<u>5,371,626</u>	<u>5,229,436</u>
	Cash	<u>0</u>	<u>37,425</u>
	Total current assets	<u>5,371,626</u>	<u>5,266,861</u>
	TOTAL ASSETS	<u><u>15,432,233</u></u>	<u><u>15,426,185</u></u>

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2015	2014
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	500,000	500,000
	Retained earnings	892,018	633,222
	Total equity	<u>1,392,018</u>	<u>1,133,222</u>
	Liabilities other than provisions		
8	Non-current liabilities other than provisions		
	Mortgage debt	8,452,177	8,452,177
	Other payables	553,788	597,439
		<u>9,005,965</u>	<u>9,049,616</u>
	Current liabilities other than provisions		
	Bank debt	4,555,439	4,652,628
	Trade payables	56,758	73,340
	Payables to group entities	0	19,130
	Income taxes payable	219,635	181,273
	Other payables	202,418	316,976
		<u>5,034,250</u>	<u>5,243,347</u>
	Total liabilities other than provisions	<u>14,040,215</u>	<u>14,292,963</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>15,432,233</u></u>	<u><u>15,426,185</u></u>

- 1 Accounting policies
- 2 The Company's principal activities
- 3 Material uncertainties regarding going concern
- 9 Collateral
- 10 Contractual obligations and contingencies, etc.
- 11 Contingent assets
- 12 Related parties

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 July 2013	500,000	-2,122,404	-1,622,404
Profit/loss for the year	0	2,755,626	2,755,626
Equity at 1 January 2015	500,000	633,222	1,133,222
Profit/loss for the year	0	258,796	258,796
Equity at 31 December 2015	500,000	892,018	1,392,018

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.

The accounting policies applied by the company are consistent with those of last year.

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 profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Cost of sale', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

Amortisation/depreciation and impairment of intangible assets and property, plant and equipment

The item comprises amortisation/depreciation and impairment of intangible assets and property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives are as follows:

Buildings	50 years
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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.

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 entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 fixed 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 are 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 indication that a receivable or a group of receivables is impaired. If there is objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

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

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

Cash and cash equivalents

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

Provisions

Other provisions comprise expected maintenance liabilities in accordance with section 22 of the Danish Rent Act and section 18b of the Consolidated act on Temporary Regulation of Housing Condition. Provisions are recognised when, as a result of past events, the Company has legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation concerned is expected to be settled far into the future.

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. Financial liabilities also include the capitalised residual liability in respect of finance leases.

Other liabilities are measured at net realisable value.

2 The Company's principal activities

The purpose of the Company is to hold shares in companies, acquire, hold, sell, rent or rent out real estate or to engage in any other related business.

3 Material uncertainties regarding going concern

The company is partly financed by loans from the parent company Kiwi BBA ApS. The parent company has declared that it will support Nordsjællands Ejendomsinvest II ApS financially in 2016 to enable the company to meet all its obligations as they fall due.

Based on the support from the parent company the annual report for 2015 has been prepared under the going concern assumption

DKK	2015 12 months	2013/14 18 months
4 Financial income		
Interest receivable, group entities	250,000	0
Other interest income	2	155
Remission of debt and similar	0	2,645,828
	<u>250,002</u>	<u>2,645,983</u>
5 Financial expenses		
Other interest expenses	280,475	493,636
	<u>280,475</u>	<u>493,636</u>
6 Tax for the year		
Estimated tax charge for the year	78,229	98,750
Tax adjustments, prior years	2,051	82,523
	<u>80,280</u>	<u>181,273</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

7 Property, plant and equipment

DKK	<u>Land and buildings</u>
Cost at 1 January 2015	11,138,884
Additions in the year	87,866
Cost at 31 December 2015	<u>11,226,750</u>
Impairment losses and depreciation at 1 January 2015	979,560
Amortisation/depreciation in the year	186,583
Impairment losses and depreciation at 31 December 2015	<u>1,166,143</u>
Carrying amount at 31 December 2015	<u>10,060,607</u>

8 Long-term 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.

9 Collateral

As security for the company's mortgage debt, the company has placed assets with carrying amount of DKK 10,061 thousand.

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

10 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 for the period on and after 23 May 2014 as well as withholding taxes on interest, royalties and dividends falling due for payment on and after 23 May 2014.

11 Contingent assets

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

12 Related parties

Nordsjællands Ejendomsinvest II ApS' related parties comprise the following:

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Kiwi BBA ApS	Amaliegade 15, 2. sal, 1256 København K