

Euro Economics ApS

Østergade 17, 2

1100 København K

Central Business Registration No

32763138

Annual report 2016

Godkendt på selskabets generalforsamling, den 02.06.2017

Dirigent

Name: Claus Molbech Bendtsen

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Entity details

Entity

Euro Economics ApS
Østergade 17, 2
1100 København K

Central Business Registration No: 32763138

Registered in: København K

Financial year: 01.01.2016 - 31.12.2016

Executive Board

Fredéric Maria Etienne Coorevits
Claus Molbech Bendtsen

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
City Tower, Værkmestergade 2
8000 Aarhus C

Statement by Management on the annual report

The Board of Directors have today considered and approved the annual report of Euro Economics ApS for the financial year 01.01.2016 - 31.12.2016.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 02.06.2017

Executive Board

Fredéric Maria Etienne
Coorevits

Claus Molbech Bendtsen

Independent auditor's reports

To the shareholders of Euro Economics ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Euro Economics ApS for the financial year 01.01.2016 - 31.12.2016. The financial statements, which comprise the income statement, balance sheet, statement of changes in equity, notes and accounting policies, 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 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.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements. We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors.

This requires that we comply with the Danish Public Accountants Act and FSR – Danish Auditors' Code of Conduct and plan and perform procedures to obtain limited assurance about our opinion on the financial statements and that we perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our opinion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical procedures and specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Conclusion

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

Independent auditor's reports

In connection with our extended review of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Aarhus, 02.06.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Morgen Gade Steinmetz

statsautoriseret revisor

Management commentary

Primary activities

The company's primary activities consists in investing in properties and owning equity interests in other companies, exercising ownership rights and asset management in connection with this.

Development in activities and finances

The company has realized a result of 4.7 mDKK. The result is assessed to be satisfactory, according to the circumstances. Results are significantly affected by results from subsidiaries corresponding to 14.8 mDKK.

The company has per. 31.12.2016 a negative equity of 8.196 tDKK. The Company has thus lost its entire capital. Management expects that the company's equity will be reestablished through future investments.

The company has thus obtained sufficient liquidity so that the obligations until the financial statements for 2017 can be met.

Accordingly, the annual report has been prepared subject to the company's continued operation.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Gross loss		(1.768.304)	837.334
Staff costs		(551.903)	(165.164)
Depreciation, amortisation and impairment losses	1	<u>(175.945)</u>	<u>(117.946)</u>
Operating profit/loss		(2.496.152)	554.224
Income from investments in group enterprises		14.788.564	(7.555.503)
Other financial income from group enterprises		8.665.857	8.269.204
Financial expenses from group enterprises		(19.274.373)	(10.657.950)
Other financial expenses		<u>(216.326)</u>	<u>(218)</u>
Profit/loss before tax		1.467.570	(9.390.243)
Tax on profit/loss for the year	2	<u>3.205.000</u>	<u>(2.501.431)</u>
Profit/loss for the year		<u>4.672.570</u>	<u>(11.891.674)</u>
Proposed distribution of profit/loss			
Transferred to reserve for net revaluation according to the equity method		7.233.061	0
Retained earnings		<u>(2.560.491)</u>	<u>(11.891.674)</u>
		<u>4.672.570</u>	<u>(11.891.674)</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Land and buildings		31.385.580	19.889.036
Property, plant and equipment	3	31.385.580	19.889.036
Investments in group enterprises		219.530.424	63.784.666
Other receivables		2.500.000	0
Fixed asset investments	4	222.030.424	63.784.666
Fixed assets		253.416.004	83.673.702
Trade receivables		528.370	0
Receivables from group enterprises		193.775.253	388.255.369
Deferred tax		3.205.000	0
Other receivables		46.416.901	718.364
Receivables		243.925.524	388.973.733
Cash		854.055	0
Current assets		244.779.579	388.973.733
Assets		498.195.583	472.647.435

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		125.000	125.000
Reserve for net revaluation according to the equity method		7.233.061	0
Retained earnings		<u>(15.553.567)</u>	<u>(12.993.076)</u>
Equity		<u>(8.195.506)</u>	<u>(12.868.076)</u>
Mortgage debts		<u>6.646.624</u>	<u>0</u>
Non-current liabilities other than provisions	5	<u>6.646.624</u>	<u>0</u>
Current portion of long-term liabilities other than provisions	5	284.560	0
Trade payables		382.470	29.550
Payables to group enterprises		496.081.590	481.855.263
Income tax payable		2.834.707	2.501.431
Other payables		<u>161.138</u>	<u>1.129.267</u>
Current liabilities other than provisions		<u>499.744.465</u>	<u>485.515.511</u>
Liabilities other than provisions		<u>506.391.089</u>	<u>485.515.511</u>
Equity and liabilities		<u>498.195.583</u>	<u>472.647.435</u>
Contingent liabilities	6		
Mortgages and securities	7		

Statement of changes in equity for 2016

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125.000	0	(12.993.076)	(12.868.076)
Profit/loss for the year	0	7.233.061	(2.560.491)	4.672.570
Equity end of year	125.000	7.233.061	(15.553.567)	(8.195.506)

Notes

	2016	2015
	DKK	DKK
	<u> </u>	<u> </u>
1. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	175.945	117.946
	175.945	117.946
	2016	2015
	DKK	DKK
	<u> </u>	<u> </u>
2. Tax on profit/loss for the year		
Tax on current year taxable income	0	2.501.431
Change in deferred tax for the year	(2.527.000)	0
Adjustment concerning previous years	(678.000)	0
	(3.205.000)	2.501.431
		Land and
		buildings
		DKK
		<u> </u>
3. Property, plant and equipment		
Cost beginning of year		20.360.820
Additions		11.672.489
Cost end of year		32.033.309
Depreciation and impairment losses beginning of the year		(471.784)
Depreciation for the year		(175.945)
Depreciation and impairment losses end of the year		(647.729)
Carrying amount end of year		31.385.580

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	Investments in group enterprises DKK	Other receivables DKK
4. Fixed asset investments		
Cost beginning of year	71.340.169	0
Additions	<u>140.957.194</u>	<u>2.500.000</u>
Cost end of year	<u>212.297.363</u>	<u>2.500.000</u>
Revaluations beginning of year	(7.555.503)	0
Share of profit/loss for the year	22.237.734	0
Other adjustments	<u>(7.449.170)</u>	<u>0</u>
Revaluations end of year	<u>7.233.061</u>	<u>0</u>
Carrying amount end of year	<u>219.530.424</u>	<u>2.500.000</u>

	Registered in	Corpo- rate form	Equity inte- rest %
Investments in group enterprises comprise:			
Euro Economics I ApS	København	ApS	100,0
Euro Economics II ApS	København	ApS	100,0
Euro Economics III Holding ApS	København	ApS	100,0
Euro Economics IV ApS	København	ApS	100,0
Euro Economics V ApS	København	ApS	100,0

	Instalments within 12 months 2016 DKK	Instalments beyond 12 months 2016 DKK	Outstanding after 5 years DKK
5. Liabilities other than provisions			
Mortgage debts	<u>284.560</u>	<u>6.646.624</u>	<u>5.499.339</u>
	<u>284.560</u>	<u>6.646.624</u>	<u>5.499.339</u>

6. Contingent liabilities

The Entity serves as an administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable from the financial

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year 2015 for income taxes etc for the jointly taxed entities and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

7. Mortgages and securities

Mortgage debt is secured by way of mortgage on properties.

The carrying amount of mortgaged properties is tDKK 31.386.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 110 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Bruttofortjeneste eller -tab omfatter nettoomsætning, andre driftsindtægter samt eksterne omkostninger mv.

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for office supplies etc.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income from group enterprises

Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish subsidiaries. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery as well as other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	15 years
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Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unamortised goodwill and plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation is imminent, a provision is recognised that is measured at present value of the costs deemed necessary to incur to settle the obligation.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to Reserve for net revaluation according to the equity method under equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Deferred tax

Udskudt skat indregnes af alle midlertidige forskelle mellem regnskabsmæssige og skattemæssige værdier af aktiver og forpligtelser, hvor den skattemæssige værdi af aktiverne opgøres med udgangspunkt i den planlagte anvendelse af det enkelte aktiv.

Udskudte skatteaktiver, herunder skatteværdien af fremførselsberettigede, skattemæssige underskud, indregnes i balancen med den værdi, aktivet forventes at kunne realiseres til, enten ved modregning i udskudte skatteforpligtelser eller som nettoskatteaktiver.

Accounting policies

Cash

Cash comprises bank deposits.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income tax receivable or payable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax