

MGM 1H ApS under frivillig likvidation

c/o Nectar Asset Management ApS
Ewaldsgade 7.
2200 Copenhagen N, Denmark
CVR-No. 33 39 23 97

Financial Statements

For the period 1 January – 31 December 2018
(12 months)
8th financial year

Adopted at the Annual General Meeting of shareholders
on 28/2 2019



Chairman

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Please note that for computational reasons, rounding differences to the exact mathematical figures (monetary units, percentages, etc.) may occur.

2 Statement by the Liquidator on the Financial Statements

The Liquidator has presented the Financial Statements of MGM 1H ApS under frivillig likvidation (in the following "the Company") for the year ended 31 December 2018. The Financial Statements were discussed and adopted on today's date.

The Financial Statements have been presented in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for financial statements.

I consider that the accounting policies used are appropriate and the accounting estimates made are reasonable. To the best of our belief, the Financial Statements include the information which is relevant for an assessment of the Company's financial position. Against this background, it is our opinion that the Financial Statements give a true and fair view of the Company's assets and liabilities, financial position, and results of operations and cash flow for the year ended 31 December 2018.

I believe that the Liquidator's Review contains a fair review of the affairs and conditions referred to therein.

I recommend that the Financial Statements be adopted by the Annual General Meeting of shareholders.

Copenhagen, 28/12 2019

Likvidator Henrik Groos

1 Company details

MGM 1H ApS under frivillig likvidation

c/o Nectar Asset Management ApS
Ewaldsgade 7,
2200 Copenhagen N, Denmark

Company registration number

CVR-No. 33 39 23 97

Likvidator

Henrik Groos

Shareholders holding 5 % or more of the share capital or the voting rights

MGM 1 S.à r.l., 12, Rue Guillaume Kroll, L-1882 Luxembourg

Ultimate parent company

MELF S.à r.l., 12, Rue Guillaume Kroll, L-1882 Luxembourg

3 Financial highlights

5-year summary

	2018	2017	2016	2015	2014
	EUR	EUR	EUR	EUR	EUR
Key figures (in EUR, except per share data)					
Statement of comprehensive income					
Revenue	0	0	1,387	1,808	69,002
Gross profit	0	0	-18,574	-4,984	53,035
Profit before net financials (EBIT)	-511	-621	-24,234	-39,026	95,484
Net financials	0	0	-29,518	-44,342	-156,213
Total comprehensive (expense)/income for the year	-511	-621	-53,753	-83,368	-60,730
Statement of financial position					
Total assets	121,943	122,454	126,075	113,217	96,359
Shareholders' equity	121,695	122,206	122,827	-823,421	-740,053
Other					
Number of employees	0	0	0	0	0
Ratio in %					
Rate of return	-0.42%	-0.51%	-19.22%	-34.47%	99.09%
<small>(Profit/loss before net financials x 100/total assets)</small>					
Equity ratio	99.80%	99.80%	97.42%	-727.29%	-768.02%
<small>(Shareholders' equity x 100/total assets)</small>					

Financial highlights are prepared in accordance with International Financial Standards, cf. Note 1 "Accounting policies".

Ratios are computed in accordance with the latest issued Guidelines and Financial ratios issued by the Danish Society of Financial Analysts.

4 Liquidator's Review

Business activities and mission

The Company's main objective was property investment. The process of liquidation is ongoing.

Business review

The Company recorded rental income of EUR nil for the year ended 31 December 2018 (2017: EUR nil).

Going concern

The Company applied for liquidation as of 31 December 2016. The liquidation will be finalised in 2019.

During the year the Company had a net cash outflow of EUR -511 and cash at bank at the balance sheet date of EUR 121,943.

Financial position

The result for the year is as expected.

Future developments

The Company expects no result for next year due to liquidation in 2019.

Subsequent events

No events have occurred after the financial year-end which could significantly affect the Company's financial position.

5 Statement of profit or loss and other comprehensive income

	Notes	1.1.2018- 31.12.2018	1.1.2017- 31.12.2017
		EUR	EUR
Revenue	4	0	0
Expenses related to rental activity		0	0
Gross profit		0	0
Other external expenses		-511	-621
Profit before net financial result		-511	-621
Other financial expenses	5	0	0
Profit before tax		-511	-621
Tax for the year	6	0	0
Net profit for the year		-511	-621
Total comprehensive income for the year		-511	-621
Total comprehensive income for the year attributable to: Equity holders of the company		-511	-621

6 Statement of financial position

Assets	Notes	31.12.2018	31.12.2017
A. Current assets			
I. Cash		121,943	122,454
Total current assets		121,943	122,454
Total assets		121,943	122,454

Equity and liabilities	Notes	31.12.2018	31.12.2017
Net assets in liquidation		121,695	122,206
B. Current liabilities			
I. Trade payables		0	0
II. Other payables		248	248
Total current liabilities		248	248
Total liabilities		248	248

7 Statement of cash flows

	1.1.2018- 31.12.2018	1.1.2017- 31.12.2017
	EUR	EUR
Profit before net financial result	-511	-621
Changes in:		
Trade and other receivables	0	-3,000
Current liabilities	0	0
Financial expenses	-0	0
Cash flows from operating activities	-511	-3,621
Repayments (acceptance) on current liabilities	0	0
Receivables from group enterprises	0	0
Increase of share premium	0	0
Cash flows from financing activities	0	0
Net cash flow for the year	-511	-3,621
Cash and cash equivalents		
Cash and cash equivalents at 1 January	122,454	126,075
Net cash flow for the year	-511	-3,621
Cash and cash equivalents at 31 December	121,943	122,454

8 Statement of net assets in liquidation

Net assets in liquidation	
	EUR
Net assets in liquidation, beginning of period	122,206
Cash flows from operating activities	-511
Changes in receivables and liabilities	0
Net assets in liquidation, end of period	121,695

9 Notes

Note 1 Accounting policies

The financial statements of MGM 1H ApS under frivillig likvidation have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for financial statements, as laid down in the IFRS order issued in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The financial statements are presented in Euros (EUR), which is also the functional currency of the company.

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

New and revised standards and bases for conclusion

The adoption of the new and amended IFRS and IFRIC interpretations has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions and arrangements.

New and revised standards and bases for conclusion which have yet to take effect

The IASB and IFRIC have issued a number of standards and interpretations with an effective date during or after the date of these financial statements:

New currently effective requirements	Effective date
Disclosure Initiative (Amendments to IAS 7)	1 January 2017
Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Annual Improvements to IFRSs 2014-2016 Cycle—various standards (Amendments to IFRS 12)	1 January 2017

Forthcoming requirements	Effective date
IFRS 15: Revenue from Contracts with Customers	1 January 2018
IFRS 9: Financial Instruments	1 January 2018
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	1 January 2018
Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)	1 January 2018
Transfers of Investment Property (Amendments to IAS 40)	1 January 2018
Annual Improvements to IFRSs 2014-2016 Cycle—various standards (Amendments to IFRS 1 and IAS 28)	1 January 2018
IFRIC 22: Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRS 16: Leases	1 January 2019
IFRIC 23: Uncertainty over Income Tax Treatments	1 January 2019
IFRS 17: Insurance Contracts	1 January 2021

The liquidator does not expect that the adoption of these Standards and Interpretations will have any material impact on the financial statements of the Company in future periods.

Statement of profit and loss and other comprehensive income

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 as earned.

Costs relating to 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 term is the non-cancellable period of the lease together with any further term for which the lessee has the option to continue the lease, where, at the inception of the lease, the liquidators is reasonably certain that the lessee will exercise that option.

Amounts received from lessees to terminate leases or to compensate for dilapidations are recognised in the income statement as received. Service charges and expenses are recoverable from tenants.

Income arising from expenses recharged to lessees is recognised in the period in which the expenses can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue if the liquidator considers that the entity acts as principal and net if the liquidator considers that the entity acts as agent.

Expenses related to rental income

Expenses that are directly linked to rental income and comprise mainly service charge expenses and asset and property management fees.

Other external expenses

Other external expenses comprise administrative expenses incurred.

Net financial result

Financial income and expenses are recognised in the statement of profit and loss and other comprehensive income in the reporting period they relate to. Net financials include interest income and expenses, realised capital and exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments less the share of the tax for the period that concerns the changes in equity.

Deferred taxes related to items recognised directly in equity are taken directly to equity.

The Company and all Danish group enterprises are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish enterprises in proportion to their taxable income (full allocation method).

Statement of financial position

Investment property

Investment property is property held on a long-term basis with the purpose of earning rental income and increases in value and which are not held for sale.

Investment properties are initially measured at cost. After initial recognition, investment properties are measured at fair value based on an internal return based assessment model. The model used is a discounted cash flow model with a five year forecast.

The market value is the estimated amount for which a property is expected to be exchanged between willing parties, at the date of valuation, in an arm's length transaction in which the parties act knowledgeably, prudently and voluntarily.

Fair value adjustments are recognised in a separate line item in the statement of profit and loss and other comprehensive income.

Receivables

Receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses relating to subsequent reporting periods.

Cash

Cash in the statement of financial position comprises cash at bank.

Income taxes

Current tax charges are recognised in the statement of financial position as the estimated tax charge in respect of the expected taxable income for the year, adjusted for tax on prior-year taxable income and tax paid in advance.

Provisions for deferred tax are calculated at 15.825 % of all temporary differences between carrying amounts and tax bases, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income.

Deferred tax assets are recognised at the value at which they are expected to be utilised, either through elimination against tax on future earnings or a set-off against deferred tax liabilities.

Financial liabilities

Financial liabilities are recognised at initial recognition measured at fair value net of transaction costs incurred upon the raising of the loan. Interest-bearing debt is subsequently measured at amortised cost, using the effective interest rate method. Other debt is subsequently measured at amortised cost corresponding to the nominal unpaid debt.

Deferred income

Deferred income is recognised as a liability and comprises of payments received for income relating to subsequent reporting periods.

Statement of cash flows

The cash flow statement shows the company's net cash flows, the year's changes in cash and cash equivalents and the company's cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are presented using the indirect method and are made up as the net profit or loss for the year before net financial result, adjusted for non-cash operating items, changes in working capital, paid financial expenses and paid income taxes.

Cash flow from investing activities comprise payments related to additions and disposals of fixed assets as well as the provision intercompany loans.

Cash flow from financing activities comprise dividends paid to shareholders, capital increases and reductions, borrowings and repayments of interest-bearing debt.

Cash and cash equivalents comprise cash and short-term securities in respect of which the risk of changes in value is insignificant.

Note 2 Going concern

These financial statements have not been prepared on going concern basis. The Company applied for liquidation as of 31 December 2016. The liquidation will be finalised in 2019.

Note 3 Assumptions and estimates

For purposes of the preparation of the financial statements, it is necessary that liquidator prepares accounting estimates affecting the application of accounting policies and recognised assets, liabilities, income and expenses. Actual results may deviate from the estimates made.

Note 4 Rental and related income

	2018	2017
	EUR	EUR
Rental income	0	0
Service charge income	0	0
Other property income	0	0
Revenue	0	0

Note 5 Other financial expenses

	2018	2017
	EUR	EUR
Interest payable, exchange losses and similar expenses	0	0
	0	0

Note 6 Income taxes

Tax for the year	2018	2017
	EUR	EUR
Current income tax charge	0	0
Deferred income tax	0	0
Total tax for the year	0	0

Reconciliation of effective tax rate	2018	2017
	EUR	EUR
Profit before tax	-511	-621
Expected tax rate	22%	22%
Expected effort for income tax	0	0
Tax	0	0
Deviation of foreign tax rates from expected tax rate	0	0
Changes of temporary differences for which no deferred tax asset is recognised	0	0
Current year losses for which no deferred tax asset is recognised	0	0
Effective income tax	0	0

Breakdown of deferred tax assets	2018	2017
	EUR	EUR
Tax losses carried forward	0	0
thereof unrecognised	0	0
Total deferred tax assets	0	0

The company has no tax loss carry forwards.

Note 7 Financial risks and financial instruments

Foreign exchange risks

As the Company's income and costs are primarily in its reporting currency, EUR, the Company is not exposed to any significant currency risks.

Credit risk

There are no significant concentrations of credit risk within the Company. With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, the Company's exposure to credit risk arises from any default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Financial assets	2018	
	Carrying amount	Fair value
	EUR	EUR
Cash	121,943	121,943
Financial assets	121,943	121,943

Note 8 Related parties

Tommas Jakobsen and Charles Sherratt-Davies are members of the Supervisory Board of MGM 1H ApS under frivillig likvidation.

None of the directors were paid by MGM 1H ApS in the year. The Directors are employed by Nectar Asset Management ApS, which rendered management services to MGM 1H ApS under frivillig likvidation. The amount charged by Nectar Asset Management ApS in the year to 31 December 2018 was EUR 0 (2017: Nectar Asset Management ApS EUR 0).

The Company does not have any employees and balances with group enterprises.

Note 9 Subsequent events

No events have occurred after the financial year-end which could significantly affect the Company's financial position.