

Genesta Property Nordic Denmark A/S

Gammeltorv 6, 1. sal, 1457 København K

Company reg. no. 34 22 31 73

Annual report

1 January - 31 December 2016

The annual report have been submitted and approved by the general meeting on the 20 July 2017.

David Christopher Neil
Chairman of the meeting

Notes:

- ∞ To ensure the greatest possible applicability of this document, British English terminology has been used.
- ∞ Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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Management's report

The board of directors and the managing director have today presented the annual report of Genesta Property Nordic Denmark A/S for the financial year 1 January to 31 December 2016.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2016 and of the company's results of its activities in the financial year 1 January to 31 December 2016.

The annual report is recommended for approval by the general meeting.

København K, 20 July 2017

Managing Director




Jonas Ingemar Berg

Board of directors



David Christopher Neil
Chairman



Jonas Ingemar Berg
Manager

Allan Strand Olesen

Independent auditor's report

To the shareholders of Genesta Property Nordic Denmark A/S

Disclaimer of opinion

We have been appointed auditors with a view to performing an audit of the annual accounts of Genesta Property Nordic Denmark A/S for the financial year 1 January - 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

We do not express any opinion on the annual accounts. Due to the significance of the matter described in the paragraph "Basis for disclaimer of opinion", we have not been able to obtain sufficient and appropriate audit evidence to provide a basis for an opinion on the annual accounts.

Basis for disclaimer of opinion

Vi have not received documentation for certain costs, including personnel and other external costs. Also the company has not reconciled the salary and VAT payments to declarations to SKAT.

Material uncertainties concerning the enterprise's ability to continue as a going concern

We note that the company is in a net liability situation. Reference is made to note 2 in the annual report regarding managements discussion of going concern.

Emphasis of matter

Without modifying our opinion we would like to draw attention to the fact that the annual report has been prepared after the deadline for submitting the annual report to the Danish Business Authority. The management can become liable for this non-compliance.

The company has not reported and settled VAT and payroll tax timely throughout the year, why management can be held liable.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the annual accounts

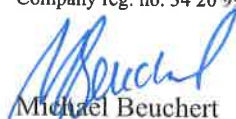
Our responsibility is to perform an audit of the annual accounts in accordance with international standards on auditing and the additional requirements applicable in Denmark and to submit an auditor's report. However, due to the matters described in the paragraph "Basis for disclaimer of opinion", we have not been able to obtain sufficient and appropriate audit evidence that could provide basis for an opinion on the annual accounts.

We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements.

Copenhagen, 20 July 2017

Grant Thornton

State Authorised Public Accountants
Company reg. no. 34 20 99 36



Michael Beuchert
State Authorised Public Accountant

Company data

The company

Genesta Property Nordic Denmark A/S
Gammeltorv 6, 1. sal
1457 København K

Company reg. no. 34 22 31 73
Established: 6 February 2012
Domicile: Copenhagen
Financial year: 1 January - 31 December

Board of directors

David Christopher Neil, Chairman
Jonas Ingemar Berg, Manager
Allan Strand Olesen

Managing Director

Jonas Ingemar Berg

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmegade 45
2100 København Ø

Accounting policies used

The annual report for Genesta Property Nordic Denmark A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

The profit and loss account

Gross profit

The gross profit comprises the net turnover, changes in inventories of finished goods and work in progress, work performed for own purposes and capitalised, other operating income, and external costs.

The net turnover comprises the value of services provided during the year, including outlay for customers less VAT and price reductions directly associated with the sale.

Accounting policies used

The turnover is recognised in the profit and loss account when the sale has been completed. This is generally considered to be the case when:

- ∞ The service has been provided before the end of the financial year
- ∞ There is a binding sales agreement
- ∞ The sales price has been determined
- ∞ The payment has been received, or it can with reasonable assurance be expected to be received.

Hereby, it is ensured that recognition does not take place until the total income and costs as well as the scope of completion on the balance sheet date can be determined reliably, and when it is likely that the economic benefits, including payments, will be received by the enterprise.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The balance sheet

Leasing contracts

Leasing contracts are considered operational leasing. Payments in connection with operational leasing and other rental agreements are recognised in the profit and loss account over the term of the contract. The company's total liabilities concerning operational leasing and rental agreements are recognised under contingencies etc.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accounting policies used

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Profit and loss account 1 January - 31 December

All amounts in DKK.

| <u>Note</u> | <u>2016</u> | <u>2015</u> |
|--|-------------------|-------------------|
| Gross profit | 751.181 | -1.401.714 |
| 3 Staff costs | -2.236.387 | -2.302.686 |
| Operating profit | -1.485.206 | -3.704.400 |
| Other financial income | 357.735 | 3 |
| Other financial costs | -221.477 | -66.731 |
| Results before tax | -1.348.948 | -3.771.128 |
| 4 Tax on ordinary results | 0 | 0 |
| Results for the year | -1.348.948 | -3.771.128 |
| Proposed distribution of the results: | | |
| Allocated from results brought forward | -1.348.948 | -3.771.128 |
| Distribution in total | -1.348.948 | -3.771.128 |

Balance sheet 31 December

All amounts in DKK.

| Assets | | | |
|---------------|--------------------------------------|-----------------------|-----------------------|
| Note | | <u>2016</u> | <u>2015</u> |
| | Fixed assets | | |
| 5 | Deposits | 120.056 | 127.933 |
| | Financial fixed assets in total | <u>120.056</u> | <u>127.933</u> |
| | Fixed assets in total | <u>120.056</u> | <u>127.933</u> |
| | Current assets | | |
| | Other debtors | 171.784 | 84.845 |
| | Accrued income and deferred expenses | 65.963 | 48.331 |
| | Debtors in total | <u>237.747</u> | <u>133.176</u> |
| | Available funds | <u>174.778</u> | <u>162.288</u> |
| | Current assets in total | <u>412.525</u> | <u>295.464</u> |
| | Assets in total | <u>532.581</u> | <u>423.397</u> |

Balance sheet 31 December

All amounts in DKK.

| Equity and liabilities | | | |
|-------------------------------|--|--------------------------|--------------------------|
| Note | | <u>2016</u> | <u>2015</u> |
| | Equity | | |
| 6 | Contributed capital | 3.170.500 | 3.170.500 |
| 7 | Results brought forward | -8.157.205 | -9.379.578 |
| | Equity in total | <u>-4.986.705</u> | <u>-6.209.078</u> |
| | Liabilities | | |
| | Trade creditors | 146.912 | 192.627 |
| | Debt to group enterprises | 4.986.869 | 6.158.437 |
| | Other debts | 385.505 | 281.411 |
| | Short-term liabilities in total | <u>5.519.286</u> | <u>6.632.475</u> |
| | Liabilities in total | <u>5.519.286</u> | <u>6.632.475</u> |
| | Equity and liabilities in total | <u>532.581</u> | <u>423.397</u> |

- 1 **The significant activities of the enterprise**
- 2 **Uncertainties concerning the enterprise's ability to continue as a going concern**
- 8 **Mortgage and securities**
- 9 **Contingencies**

Notes

All amounts in DKK.

1. The significant activities of the enterprise

The company's primary activity is to provide directly and indirectly management services and to implement investment activities in the Danish real estate market.

2. Uncertainties concerning the enterprise's ability to continue as a going concern

The company is in a net liability situation as of 31st December 2016. The company has received a letter of support and a letter of subordination from its parent company for their receivable. The company will continue to be dependent on financing from the shareholders in 2017, and it is management's expectation that the shareholders will continue to provide the necessary funds to the company.

| | <u>2016</u> | <u>2015</u> |
|---|-------------------------|-------------------------|
| 3. Staff costs | | |
| Salaries and wages | 2.232.979 | 2.298.366 |
| Other costs for social security | 3.408 | 4.320 |
| | <u>2.236.387</u> | <u>2.302.686</u> |
| 4. Tax on ordinary results | | |
| Tax of the results for the year, parent company | 0 | 0 |
| Adjustment for the year of deferred tax | 0 | 0 |
| | <u>0</u> | <u>0</u> |
| | <u>31/12 2016</u> | <u>31/12 2015</u> |
| 5. Deposits | | |
| Cost 1 January 2016 | 127.933 | 119.717 |
| Additions during the year | 0 | 8.216 |
| Disposals during the year | -7.877 | 0 |
| Cost 31 December 2016 | <u>120.056</u> | <u>127.933</u> |
| Book value 31 December 2016 | <u>120.056</u> | <u>127.933</u> |

Notes

All amounts in DKK.

| | <u>31/12 2016</u> | <u>31/12 2015</u> |
|---|--------------------------|--------------------------|
| 6. Contributed capital | | |
| Contributed capital 1 January 2016 | 3.170.500 | 3.170.500 |
| | <u>3.170.500</u> | <u>3.170.500</u> |
| 7. Results brought forward | | |
| Results brought forward 1 January 2016 | -9.379.578 | -5.608.450 |
| Profit or loss for the year brought forward | -1.348.948 | -3.771.128 |
| Shareholder contribution | <u>2.571.321</u> | <u>0</u> |
| | <u>-8.157.205</u> | <u>-9.379.578</u> |

8. Mortgage and securities

The company has no mortgage and securities which is not included in the annual report as of 31st December 2016.

9. Contingencies

The company has operating leasing agreements on cars with a total lease commitment of 364 t.DKK.

The company has a liability regarding rented office premises for 6 months as of 31st December 2016 with a total rental commitment of 120 t.DKK.