

KG 47 GP ApS

c/o Aberdeen Asset Management
Denmark A/S, Strandvejen 58, 2
2900 Hellerup
Central Business Registration No
35143688

Annual report 2016

The Annual General Meeting adopted the annual report on 13.06.2017

Chairman of the General Meeting

Name: Rasmus Madsen

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Entity details

Entity

KG 47 GP ApS

c/o Aberdeen Asset Management Denmark A/S, Strandvejen 58, 2
2900 Hellerup

Central Business Registration No: 35143688

Registered in: Gentofte

Financial year: 01.01.2016 - 31.12.2016

Executive Board

Peter Drachmann

Michael John Fitzgerald

Niels Christian Wedell-Wedellsborg

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of KG 47 GP 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.

Hellerup, 29.05.2017

Executive Board

Peter Drachmann

Michael John Fitzgerald

Niels Christian Wedell-
Wedellsborg

Independent auditor's report

To the shareholder of KG 47 GP ApS

Opinion

We have audited the financial statements of KG 47 GP ApS for the financial year 01.01.2016 - 31.12.2016, which comprise the 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 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- 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 Entity'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 conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 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.

In connection with our audit 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 audit 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.

Independent auditor's report

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.

Copenhagen, 29.05.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Lars Andersen

State Authorised Public Accountant

Management commentary

Primary activities

The object of the Company is to hold properties, both under own auspices and through subsidiaries, and other related activities.

Development in activities and finances

The Company acts as general partner for KG 47 P/S and is fully liable with all its equity for all claims and liabilities that exceed the share capital in KG 47 P/S.

Loss for the year is DKK 11 thousand impacted by income from investments in associates DKK 124 thousand.

Management regards results as unsatisfactory.

Assets totals DKK 849 thousand, out of which DKK 848 thousand comprise the 1% ownership interest in KG 47 P/S.

As of 31 December 2016, equity is DKK 498 thousand which equals a solvency ratio of 58.7 %. Equity consists of share capital DKK 180 thousand following capital increases and retained earnings of DKK 0 thousand and reserve for net revaluation according to the equity method of DKK 318 thousand.

Investment in associates

Investment in associates is measured according to the equity method at DKK 848 thousand.

The equity value in KG 47 P/S is based on the fair value of properties and debt. Change in the valuation of the investment property in KG 47 P/S comprises the principal financial risk for the Company and, as such, has a significant impact on the income statement. The calculation of the value of the investment property is subject to changes in net operating income and changes in market evaluation of the exit yield.

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'000</u>
Other external expenses		(91.115)	(59)
Operating profit/loss		(91.115)	(59)
Income from investments in associates		124.208	192
Profit/loss before tax		33.093	133
Tax on profit/loss for the year	1	(43.998)	18
Profit/loss for the year		(10.905)	151
Proposed distribution of profit/loss			
Transferred to reserve for net revaluation according to the equity method		(10.905)	157
Retained earnings		0	(6)
		(10.905)	151

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Investments in associates		<u>847.844</u>	<u>724</u>
Fixed asset investments	2	<u>847.844</u>	<u>724</u>
Fixed assets		<u>847.844</u>	<u>724</u>
Income tax receivable		<u>0</u>	<u>18</u>
Receivables		<u>0</u>	<u>18</u>
Cash		<u>1.250</u>	<u>1</u>
Current assets		<u>1.250</u>	<u>19</u>
Assets		<u>849.094</u>	<u>743</u>

Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK'000</u>
Contributed capital	3	180.000	180
Reserve for net revaluation according to the equity method		318.404	329
Equity		<u>498.404</u>	<u>509</u>
Deferred tax		43.998	0
Provisions		<u>43.998</u>	<u>0</u>
Payables to group enterprises		277.672	213
Other payables		29.020	21
Current liabilities other than provisions		<u>306.692</u>	<u>234</u>
Liabilities other than provisions		<u>306.692</u>	<u>234</u>
Equity and liabilities		<u>849.094</u>	<u>743</u>
Contingent liabilities	4		
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Statement of changes in equity for 2016

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Total DKK
Equity beginning of year	180.000	329.309	509.309
Profit/loss for the year	0	(10.905)	(10.905)
Equity end of year	180.000	318.404	498.404

Notes

	2016	2015
	DKK	DKK'000
1. Tax on profit/loss for the year		
Tax on current year taxable income	0	(18)
Change in deferred tax for the year	43.998	0
	43.998	(18)

	Investments in associates DKK
2. Fixed asset investments	
Cost beginning of year	360.000
Cost end of year	360.000
Revaluations beginning of year	363.636
Share of profit/loss for the year	124.208
Revaluations end of year	487.844
Carrying amount end of year	847.844

	Registered in	Corpo- rate form	Equity inte- rest %	Equity DKK	Profit/loss DKK
Investments in associates comprise:					
KG 47 P/S	Gentofte	P/S	1,0	84.784.446	12.420.796

	Number	Par value DKK	Nominal value DKK
3. Contributed capital			
Share capital	180	1000	180.000
	180		180.000

4. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which FB 40 ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company

Notes

is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

The Company acts as general partner for KG 47 P/S and is fully liable with all its equity for all claims and liabilities that exceed the share capital in KG 47 P/S.

5. Mortgages and securities

Collateral securities provided for group enterprises

The Company has guaranteed the associate's debt to Handelsbanken by way of security in the Company's shares in the associate.

6. Related parties with controlling interest

FB 40 ApS, Denmark wholly owns the shares of the Company and thus has control over the Company.

7. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
FREP Holdings Canada 1 LP, Canada

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

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Income from investments in associates

Income from investments in associates comprises the pro rata share of the individual associates' profit/loss after elimination of internal profits or losses.

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 group enterprises. 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).

Accounting policies

Balance sheet

Investments in associates

Investments in associates are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the associates' equity value plus or minus unamortised positive, or negative, goodwill and minus or plus unrealised pro rata internal profits and losses.

Associates with negative equity are measured at DKK 0, and any receivables from these associates are written down by the share of such negative equity if it is deemed irrecoverable. If the negative equity value exceeds the amount receivable, the remaining amount is recognised under provisions if there is a legal or constructive obligation to cover the liabilities of the relevant associate.

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

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

Income tax payable or receivable

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

Cash

Cash comprises bank deposits.

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.

Other financial liabilities

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