Alpha 3 A/S

Fridtjof Nansens Plads 5, 2100 København Ø

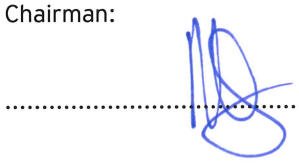
CVR no. 35 23 01 65

Annual report 2016

Approved at the annual general meeting of shareholders on 9 May 2017

Chairman:

.....



Building a better working world

Contents

Statement by the Board of Directors and the Executive Board 2

Independent auditors' report 3

Management's review 5
Company details 5
Management commentary 6

Financial statements for the period 1 January - 31 December 7
Income statement 7
Balance sheet 8
Statement of changes in equity 10
Notes to the financial statements 11

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Alpha 3 A/S for the financial year 1 January - 31 December 2016.

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 2016 and of the results of the Company's operations for the financial year 1 January - 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 9 May 2017
Executive Board:

Mette Krog Hansen

Board of Directors:

Robert McCorduck
Chairman

Katarzyna Jolanta Ciesielska

Mette Krog Hansen

Independent auditors' report

To the shareholders of Alpha 3 A/S

Opinion

We have audited the financial statements of Alpha 3 A/S for the financial year 1 January - 31 December 2016, which comprise an 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 financial position of the Company at 31 December 2016, and of the results of the Company operations for the financial year 1 January - 31 December 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 the 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 our report. We are independent of the company in accordance with the International Ethics Standards Board for 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 rules and 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 the financial statements.

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

- 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditors' report

- 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 company'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 conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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 Management's review

Management is responsible for the Management's review.

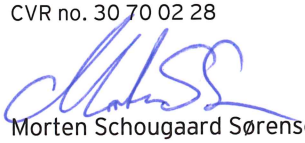
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 9 May 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Morten Schougaard Sørensen
State Authorised Public Accountant

Management's review

Company details

Name	Alpha 3 A/S
Address, Postal code, City	Fridtjof Nansens Plads 5, 2100 København Ø
CVR no.	35 23 01 65
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Robert McCorduck, Chairman Katarzyna Jolanta Ciesielska Mette Krog Hansen
Executive Board	Mette Krog Hansen
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark

Management's review

Management commentary

Business review

The company's purpose is to own and hold shares in companies, buying, selling, renting and renting real estate and any other related business.

Financial review

The income statement for 2016 shows a profit of DKK 2,329,488 against a loss of DKK 4,210,033 last year, and the balance sheet at 31 December 2016 shows equity of DKK 15,732,752.

The share capital has been reduced with DKK 33,000 thousand to DKK 10,000 thousand on the 5 April 2017.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements for the period 1 January - 31 December

Income statement

Note	DKK	2016	2015
	Gross margin	7,615,770	6,411,524
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-3,184,388	-3,174,414
	Profit before net financials	4,431,382	3,237,110
	Financial income	0	888
2	Financial expenses	-1,461,835	-8,605,347
	Profit/loss before tax	2,969,547	-5,367,349
3	Tax for the year	-640,059	1,157,316
	Profit/loss for the year	2,329,488	-4,210,033
	Proposed profit appropriation/distribution of loss		
	Extraordinary dividend distributed in the year	0	19,493,572
	Retained earnings/accumulated loss	2,329,488	-23,703,605
		2,329,488	-4,210,033

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	ASSETS		
	Fixed assets		
4	**Property, plant and equipment**		
	Land and buildings	174,026,818	177,038,975
		174,026,818	177,038,975
	Investments		
	Deposit Grundejernes Investeringsfond	1,261,426	905,957
		1,261,426	905,957
	Total fixed assets	175,288,244	177,944,932
	Non-fixed assets		
	Receivables		
	Receivables from group entities	0	1,003
	Deferred tax assets	1,885,296	2,014,780
	Joint taxation contribution receivable	82,378	0
5	Other receivables	0	63,106
	Deferred income	80,930	22,931
		2,048,604	2,101,820
	Cash at bank and in hand	15,632,297	10,878,933
	Total non-fixed assets	17,680,901	12,980,753
	TOTAL ASSETS	192,969,145	190,925,685

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK	2016	2015
	EQUITY AND LIABILITIES		
	Equity		
6	Share capital	43,000,000	43,000,000
	Retained earnings	-27,267,248	-29,596,736
	Total equity	15,732,752	13,403,264
	Liabilities other than provisions		
7	**Non-current liabilities other than provisions**		
	Mortgage debt	168,916,206	171,011,142
	Deposits	2,775,106	2,303,979
		171,691,312	173,315,121
	Current liabilities other than provisions		
7	Current portion of long-term liabilities	2,116,494	1,953,687
	Trade payables	34,732	489,627
	Payables to group entities	838,445	0
	Income taxes payable	545,946	0
	Other payables	2,009,464	1,763,986
		5,545,081	4,207,300
	Total liabilities other than provisions	177,236,393	177,522,421
	TOTAL EQUITY AND LIABILITIES	192,969,145	190,925,685

1 Accounting policies
8 Contractual obligations and contingencies, etc.
9 Collateral

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2015	43,000,000	-5,893,131	37,106,869
Profit/loss for the year	0	-4,210,033	-4,210,033
Extraordinary dividend distributed	0	-19,493,572	-19,493,572
Equity at 1 January 2016	43,000,000	-29,596,736	13,403,264
Profit/loss for the year	0	2,329,488	2,329,488
Equity at 31 December 2016	43,000,000	-27,267,248	15,732,752

The share capital has been reduced with DKK 33,000 thousand to DKK 10,000 thousand on the 5 April 2017.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Alpha 3 A/S for 2016 has been prepared in accordance with the provisions in the Danish Financial Statements Act to report reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Changes in accounting policies

Effective 1 January 2016, the Company has adopted act no. 738 of 1 July 2015. This implies changes in the recognition and measurement in the following areas:

- Yearly reassessment of residual values of property, plant and equipment.

In the future, residual values of property, plant and equipment will be subject to annual reassessment. The properties has recently been purchased and no need for change of the assessment has been identified. Consequently, the change made will only have future effect related to change in accounting estimates with no impact on equity.

None of the above changes impacts on the income statement or the balance sheet for 2016 or the comparative figures.

Apart from the above new and changed presentation and disclosure requirements, which follow from act. no. 738 of 1 June 2015, the accounting policies are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

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, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross margin

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

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, etc.

Depreciation

The item comprises depreciation of property, plant and equipment.

Buildings	50 years

Land is not depreciated.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 Company and its Danish group entities are jointly taxed. The Danish income tax charge is allocated between profit making and loss making Danish entities in proportion to their taxable income.

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

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.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash and cash equivalents

Cash comprises cash balances and bank balances.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, 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, as well as temporary differences on non-amortisable goodwill.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, 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 lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

	DKK	2016	2015
2	**Financial expenses**		
	Interest expenses, group entities	20,000	0
	Other financial expenses	1,441,835	8,605,347
		1,461,835	8,605,347
3	**Tax for the year**		
	Estimated tax charge for the year	592,946	0
	Deferred tax adjustments in the year	129,487	-1,176,987
	Tax adjustments, prior years	4	19,671
	Refund in joint taxation	-82,378	0
		640,059	-1,157,316

4 **Property, plant and equipment**

DKK	Land and buildings
Cost at 1 January 2016	186,877,812
Additions in the year	172,231
Cost at 31 December 2016	187,050,043
Impairment losses and depreciation at 1 January 2016	9,838,837
Amortisation/depreciation in the year	3,184,388
Impairment losses and depreciation at 31 December 2016	13,023,225
Carrying amount at 31 December 2016	174,026,818

5	**Other receivables**		
	Other receivables	0	63,106
		0	63,106

Financial statements for the period 1 January - 31 December

Notes to the financial statements

6 Share capital

Analysis of changes in the share capital over the past 4 years:

DKK	2016	2015	2014	2013
Opening balance	43,000,000	43,000,000	35,000,000	35,000,000
Capital increase	0	0	8,000,000	0
	43,000,000	43,000,000	43,000,000	35,000,000

7 Long-term liabilities

DKK	Total debt at 31/12 2016	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	171,032,700	2,116,494	168,916,206	163,150,777
Deposits	2,775,106	0	2,775,106	2,775,106
	173,807,806	2,116,494	171,691,312	165,925,883

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

The company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the period 30 June 2015 onwards as well as withholding taxes on interest, royalties and dividends falling due for payment on or after 30 June 2015.

9 Collateral

The following assets have been provided as collateral for mortgages:

Property, plant and equipment with a carrying amount of (DKK) 174,026,818.