

Ejendomsselskabet 3 M ApS

Guldborgsundvej 1

6705 Esbjerg Ø

Central Business Registration No

35636587

Annual report 2016/17

The Annual General Meeting adopted the annual report on 30.08.2017

Chairman of the General Meeting

Name: Henrik Larsen

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Entity details

Entity

Ejendomsselskabet 3 M ApS
Guldborgsundvej 1
6705 Esbjerg Ø

Central Business Registration No: 35636587

Registered in: Esbjerg

Financial year: 01.05.2016 - 30.04.2017

Executive Board

Niels Grening Langerhuus

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Dokken 8
Postbox 200
6701 Esbjerg

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of Ejendomsselskabet 3 M ApS for the financial year 01.05.2016 - 30.04.2017.

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 30.04.2017 and of the results of its operations for the financial year 01.05.2016 - 30.04.2017.

I 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.

Esbjerg, 30.08.2017

Executive Board

Niels Grening Langerhuus

Independent auditor's reports

To the shareholders of Ejendomsselskabet 3 M ApS

Report on extended review of the financial statements

We have performed an extended review of the financial statements of Ejendomsselskabet 3 M ApS for the financial year 01.05.2016 - 30.04.2017. 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 30.04.2017 and of the results of its operations for the financial year 01.05.2016 - 30.04.2017 in accordance with the Danish Financial Statements Act.

Independent auditor's reports

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 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.

Esbjerg, 30.08.2017

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Henrik Harbo Andersen
State Authorised Public Accountant

Management commentary

Primary activities

The activity of the entity consist of construction and rent of the building and similar fields.

Development in activities and finances

In 2016/17 the entity realized a profit of 1,284 t.DKK. which is satisfying.

The equity of the entity amount to 2,510 t.DKK at 30th April 2017.

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 2016/17

	<u>Notes</u>	<u>2016/17</u> <u>DKK</u>	<u>2015/16</u> <u>DKK</u>
Gross profit		3,212,550	3,189,046
Depreciation, amortisation and impairment losses		(548,000)	(548,000)
Operating profit/loss		2,664,550	2,641,046
Other financial expenses	1	(979,537)	(1,177,138)
Profit/loss before tax		1,685,013	1,463,908
Tax on profit/loss for the year	2	(401,000)	(399,000)
Profit/loss for the year		1,284,013	1,064,908
Proposed distribution of profit/loss			
Retained earnings		1,284,013	1,064,908
		1,284,013	1,064,908

Balance sheet at 30.04.2017

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Land and buildings		<u>42,367,970</u>	<u>42,915,970</u>
Property, plant and equipment	3	<u>42,367,970</u>	<u>42,915,970</u>
Fixed assets		<u>42,367,970</u>	<u>42,915,970</u>
Cash		<u>4,037</u>	<u>3,603</u>
Current assets		<u>4,037</u>	<u>3,603</u>
Assets		<u>42,372,007</u>	<u>42,919,573</u>

Balance sheet at 30.04.2017

	<u>Notes</u>	<u>2016/17 DKK</u>	<u>2015/16 DKK</u>
Contributed capital		100,000	100,000
Retained earnings		2,409,928	1,125,915
Equity		2,509,928	1,225,915
Deferred tax		1,185,000	902,000
Provisions		1,185,000	902,000
Mortgage debts		17,060,864	17,872,433
Bank loans		9,500,000	11,000,000
Deposits		1,650,000	1,650,000
Non-current liabilities other than provisions	4	28,210,864	30,522,433
Current portion of long-term liabilities other than provisions	4	2,365,000	900,000
Payables to group enterprises		7,580,000	9,095,000
Joint taxation contribution payable		210,000	92,000
Other payables		311,215	182,225
Current liabilities other than provisions		10,466,215	10,269,225
Liabilities other than provisions		38,677,079	40,791,658
Equity and liabilities		42,372,007	42,919,573
Contingent liabilities	5		
Mortgages and securities	6		

Statement of changes in equity for 2016/17

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	100,000	1,125,915	1,225,915
Profit/loss for the year	0	1,284,013	1,284,013
Equity end of year	100,000	2,409,928	2,509,928

Notes

	2016/17	2015/16
	DKK	DKK
1. Other financial expenses		
Financial expenses from group enterprises	244,000	610,000
Interest expenses	735,537	527,138
Other financial expenses	0	40,000
	979,537	1,177,138
	2016/17	2015/16
	DKK	DKK
2. Tax on profit/loss for the year		
Change in deferred tax for the year	283,000	270,000
Adjustment concerning previous years	0	37,000
Refund in joint taxation arrangement	118,000	92,000
	401,000	399,000
		Land and buildings
		DKK
3. Property, plant and equipment		
Cost beginning of year		43,509,402
Cost end of year		43,509,402
Depreciation and impairment losses beginning of the year		(593,432)
Depreciation for the year		(548,000)
Depreciation and impairment losses end of the year		(1,141,432)
Carrying amount end of year		42,367,970

Notes

	Instalments within 12 months 2016/17 DKK	Instalments within 12 months 2015/16 DKK	Instalments beyond 12 months 2016/17 DKK	Outstanding after 5 years DKK
4. Liabilities other than provisions				
Mortgage debts	865,000	900,000	17,060,864	13,734,000
Bank loans	1,500,000	0	9,500,000	3,500,000
Deposits	0	0	1,650,000	1,650,000
	<u>2,365,000</u>	<u>900,000</u>	<u>28,210,864</u>	<u>18,884,000</u>

5. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which Grening Holding ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The total known net liability of the jointly taxed entities under the joint taxation arrangement is evident from the administration company's financial statements.

6. Mortgages and securities

Mortgage debt is secured by way of mortgage on properties.

Bank debt and bank debt in group enterprises are secured by way of a deposited mortgage deed registered to the mortgagor on plant of DKK 1.950.000 nominal.

The carrying amount of mortgaged bank loans amounts to DKK 17.258.304.

The carrying amount of mortgaged properties amounts to DKK 42.367.970.

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.

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

Gross profit or loss comprises revenue and other external expenses.

Revenue

The rent is recognized in the income statement concurrently with the let. The rent recognised net of VAT.

Other external expenses

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

Depreciation, amortisation and impairment losses

Depreciation relating to property comprise depreciation for the financial year, calculated on the basis of the residual values and useful lives of the individual assets.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises and amortisation of financial liabilities etc.

Accounting policies

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 are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

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, office	50 years
Buildings, stock and workshop	30 years

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.

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Accounting policies

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