

DCE 1 ApS

Sundkrogsgade 21, 2100 Copenhagen

CVR no. 36 41 65 21



Annual report 2016

Approved at the annual general meeting of shareholders on 20 June 2017

Chairman:

.....
Rasmus Eske Bruun



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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of DCE 1 ApS 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 financial position of the Company 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, 20 June 2017
Executive Board:

.....
Peter Drachmann

.....
Efrat Abuav

Independent auditor's report

To the shareholders of DCE 1 ApS

Opinion

We have audited the financial statements of DCE 1 ApS for the financial year 1 January - 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including 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's 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.

Emphasis of matter in the financial statements

Without modifying our opinion we point out that the entity has lost its entire contributed capital. We refer to the disclosures in note 2 from which it appears that the entity has received letters of support from its shareholders, which confirms that they will provide all the support that may be needed, including financial support, until 31 December 2017 at the earliest.

We have not modified our opinion in respect of this matter.

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 judgement and maintain professional skepticism 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 Company'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 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 note 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.

Copenhagen, 20 June 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Anders Flymer-Dindler
State Authorised Public Accountant

Management's review

Company details

Name	DCE 1 ApS
Address, Postal code, City	Sundkrogsgade 21, 2100 Copenhagen
CVR no.	36 41 65 21
Registered office	Copenhagen
Financial year	1 January - 31 December
Executive Board	Peter Drachmann Efrat Abuav
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvold Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark

Management commentary

Business review

The activities in the fiscal year comprises investments in associated companies.

Financial review

The income statement for 2016 shows a loss of DKK 11,811 thousand against DKK -15,384 thousand last year, and the balance sheet at 31 December 2016 shows a negative equity of DKK 27,888 thousand.

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'000	2016	2015
	Gross margin	-280	-275
3	Staff costs	0	0
	Profit/loss before net financials	-280	-275
4	Financial income	1,120	1,122
5	Financial expenses	-5,049	-5,046
	Profit/loss before tax	-4,209	-4,199
6	Tax for the year	-7,602	-11,185
	Profit/loss for the year	-11,811	-15,384
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-11,811	-15,384
		-11,811	-15,384

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2016	2015
	ASSETS		
	Fixed assets		
7	Investments		
	Investments in associates	53,125	53,125
	Receivables from associates	15,956	15,047
		<u>69,081</u>	<u>68,172</u>
	Total fixed assets	<u>69,081</u>	<u>68,172</u>
	Non-fixed assets		
	Receivables		
	Prepayments	81	81
		<u>81</u>	<u>81</u>
	Cash	<u>19</u>	<u>1</u>
	Total non-fixed assets	<u>100</u>	<u>82</u>
	TOTAL ASSETS	<u>69,181</u>	<u>68,254</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	50	50
	Retained earnings	-27,938	-16,127
	Total equity	<u>-27,888</u>	<u>-16,077</u>
	Provisions		
	Deferred tax	18,538	10,936
	Total provisions	<u>18,538</u>	<u>10,936</u>
	Liabilities		
8	Non-current liabilities other than provisions		
	Payables to group entities	39,805	37,231
	Other payables	38,244	35,771
		<u>78,049</u>	<u>73,002</u>
	Current liabilities		
	Income taxes payable	249	249
	Other payables	233	144
		<u>482</u>	<u>393</u>
	Total liabilities other than provisions	<u>78,531</u>	<u>73,395</u>
	TOTAL EQUITY AND LIABILITIES	<u>69,181</u>	<u>68,254</u>

- 1 Accounting policies
- 2 Capital resources and liquidity

Financial statements for the period 1 January - 31 December

Statement of changes in equity

DKK'000	Share capital	Retained earnings	Total
Equity at 1 January 2016	50	-16,127	-16,077
Transfer through appropriation of loss	0	-11,811	-11,811
Equity at 31 December 2016	50	-27,938	-27,888

The share capital is unchanged since 27 October 2014. The parent company has incurred costs in connection with the formation of DCE 1 ApS.

Equity is expected reestablished by dividends from investments or alternatively by a debt relief.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of DCE 1 ApS has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

Changes to presentation and disclosures only

Effective 1 January 2016, the Company has implemented act no. 738 of 1 June 2015 with amendments to the Danish Financial Statements Act. As the implementation of the amendment act has no impact in terms of value on the income statement or the balance sheet in the financial year, nor on the comparative figures, the financial statements have been prepared based on the same accounting policies as last year.

The amendment act has solely implied new or changed presentation and disclosure requirements, which have been incorporated in the financial statements.

Income statement

Gross margin

The items revenue, change in inventories of finished goods and work in progress, work performed for own account and capitalised, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to administration, etc.

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 as well as allowances and surcharges 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. 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 total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

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.

Financial statements for the period 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Investments in associates

Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

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.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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

2 Capital resources and liquidity

The going concern of DCE 1 ApS is conditional upon the contribution of cash, either by way of a capital increase or an extension of the existing credit facilities, or through new lenders. DCE 1 ApS has received letters of support from its shareholders, which confirms that they will provide all the support that may be needed, including financial support, until 31 December 2017 at the earliest. On this basis, the annual report has been presented on the assumption that the Entity is a going concern.

3 Staff costs

The Company has no employees.

4 Financial income

Interest receivable, associates	1,120	1,120
Other financial income	0	2
	<u>1,120</u>	<u>1,122</u>

5 Financial expenses

Interest expenses, group entities	2,573	2,572
Other financial expenses	2,476	2,474
	<u>5,049</u>	<u>5,046</u>

6 Tax for the year

Estimated tax charge for the year	0	249
Deferred tax adjustments in the year	7,602	10,936
	<u>7,602</u>	<u>11,185</u>

7 Investments

Associates

Projekt

Soorstrass

e 80-82

Grundstüc

ks GbR

GbR

Berlin

40.50 %

329,866

143,576

8 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 0 falls due for payment after more than 5 years after the balance sheet date.