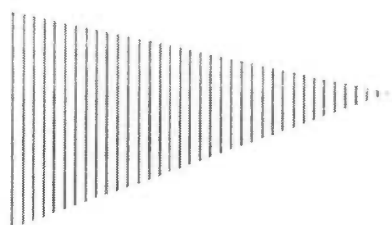


# DCE 2 ApS

Sundkrogsgade 21, 2100 Copenhagen

CVR no. 36 41 65 48



## Annual report 2015

Approved at the annual general meeting of shareholders on 30 May 2016

Chairman:

Peter Drachmann



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### Statement by the Executive Board

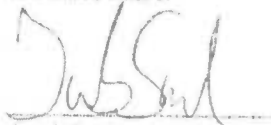
The Executive Board has today discussed and approved the annual report of DCE 2 ApS for the financial year 1 January - 31 December 2015.

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 2015 and of the results of the Company's operations for the financial year 1 January - 31 December 2015.

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

Copenhagen, 30 May 2016  
Executive Board:



Jacob Smed



Efrat Abuav

## Independent auditors' report on the financial statements

To the shareholders of DCE 2 ApS

We have audited the financial statements of DCE 2 ApS for the financial year 1 January - 31 December 2015, 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.

### *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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' responsibility*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulations. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

### *Opinion*

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2015 and of the results of its operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

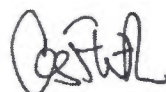
### *Emphasis of matter regarding matters in the financial statements*

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 2016 at the earliest.

Copenhagen, 30 May 2016  
ERNST & YOUNG  
Godkendt Revisionspartnerselskab  
CVR No. 30 70 02 28



Henrik Reedtz  
state authorised public accountant



Anders Flymer-Dindler  
state authorised public accountant



## Management's review

Name	DCE 2 ApS
Address, Postal code, City	Sundkrogsgade 21, 2100 Copenhagen
CVR No.	36 41 65 48
Registered office	Copenhagen
Financial year	1 January - 31 December
Executive Board	Jacob Smed Efrat Abuav
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4. P O Box 250. 2000 Frederiksberg. Denmark



## Financial statements for the period 1 January - 31 December

### Income statement

Note	DKK'000	2015 12 months	2014 2 months
	Gross profit/loss	-272	-72
3	Financial income	1,648	283
4	Financial expenses	-7,412	-1,267
	Profit/loss before tax	-6,036	-1,056
5	Tax for the year	-16,452	0
	Profit/loss for the year	-22,488	-1,056
	Proposed profit appropriation/distribution of loss		
	Retained earnings/accumulated loss	-22,488	-1,056
		-22,488	-1,056

Financial statements for the period 1 January - 31 December

Balance sheet

Note	DKK'000	2015	2014
	ASSETS		
	Non-current assets		
6	Investments		
	Investments in group entities, net asset value	78,047	78,047
	Receivables from group entities	22,218	20,811
		<u>100,265</u>	<u>98,858</u>
	Total non-current assets	<u>100,265</u>	<u>98,858</u>
	Current assets		
	Receivables		
	Other receivables	0	50
	Prepayments	82	81
		<u>82</u>	<u>131</u>
	Cash	3	0
	Total current assets	<u>85</u>	<u>131</u>
	TOTAL ASSETS	<u>100,350</u>	<u>98,989</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	50	50
	Retained earnings	-23,544	-1,056
	Total equity	<u>-23,494</u>	<u>-1,006</u>
	Provisions		
	Deferred tax	16,066	0
	Total provisions	<u>16,066</u>	<u>0</u>
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Payables to group entities	54,698	50,919
	Other payables	52,553	48,922
		<u>107,251</u>	<u>99,841</u>
	Current liabilities other than provisions		
	Trade payables	141	154
	Income taxes payable	386	0
		<u>527</u>	<u>154</u>
	Total liabilities other than provisions	<u>107,778</u>	<u>99,995</u>
	TOTAL EQUITY AND LIABILITIES	<u>100,350</u>	<u>98,989</u>

- 1 Accounting policies
- 2 Material uncertainties regarding going concern
- 8 Related parties



## Financial statements for the period 1 January - 31 December

### Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2015	50	-1,056	-1,006
Profit/loss for the year	0	-22,488	-22,488
Equity at 31 December 2015	<u>50</u>	<u>-23,544</u>	<u>-23,494</u>

The share capital is unchanged since 27 October 2014. The parent company has incurred costs in connection with formation of DCE 2 ApS

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



## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of DCE 2 ApS for 2015 has been presented in accordance with the provisions of the Danish Financial Statements Act as regards reporting class B enterprises.

The accounting policies applied by the company are consistent with those of last year.

#### Consolidated financial statements

Referring to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements are prepared.

#### Income statement

##### Gross profit/loss

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

##### Other external expenses

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

#### Balance sheet

##### Investments in group entities

Investments in subsidiaries and associates are measured at cost. Dividends received that exceed the accumulated earnings in the subsidiary or the associate during the period of ownership are treated as a reduction in the cost of acquisition.

##### Receivables

Receivables are measured at amortised cost.

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

Receivables with no objective indication of individual impairment are tested for objective indication of impairment on a portfolio basis. The portfolios are primarily composed on the basis of debtors' domicile and credit ratings in accordance with the Company's risk management policy. The objective indicators used for portfolios are determined based on historical loss experience.

Write-downs 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.

##### Corporation tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

## Financial statements for the period 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value 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. 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. In subsequent periods, the 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 liability in respect of finance leases.

Other liabilities are measured at net realisable value.

#### 2 Material uncertainties regarding going concern

The going concern of DCE 2 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 2 ApS has received letters of support from its shareholders, which confirms that they will provide all the support that maybe needed, including financial support, until 31 December 2016 at the earliest. On this basis, the annual report has been presented on the assumption that the entity is a going concern.

#### 3 Financial income

Interest receivable, group entities	1,646	283
Other financial income	<u>2</u>	<u>0</u>
	<u>1,648</u>	<u>283</u>

#### 4 Financial expenses

Interest expenses, group entities	3,779	651
Other financial expenses	<u>3,633</u>	<u>616</u>
	<u>7,412</u>	<u>1,267</u>

#### 5 Tax for the year

Estimated tax charge for the year	386	0
Deferred tax adjustments in the year	<u>16,066</u>	<u>0</u>
	<u>16,452</u>	<u>0</u>

Financial statements for the period 1 January - 31 December

Notes to the financial statements

6 Investments

DKK'000	<u>Legal form</u>	<u>Domicile</u>	<u>Interest</u>	<u>Equity</u>	<u>Profit/loss</u>
Subsidiaries					
Project Soorstrasse 80-82 Grundstücks GbR	GbR	Berlin	59.50 %	186,959	43,761

7 Long-term liabilities

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

8 Related parties

DCE 2 ApS' related parties comprise the following:

Ownership

The following shareholders are registered in the Company's register of shareholders as holding minimum 5% of the share capital:

<u>Name</u>	<u>Domicile</u>
Cobian Limited	Nicosia, Cyprus
Clal Insurance Company Ltd	Tel-Aviv, Israel