

REI Mariendalsvej ApS

Kr. Bernikowsgade 4, 1. sal, 1105 København K

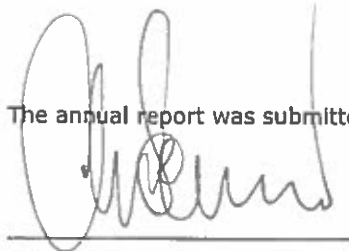
Annual report

1 January - 31 December 2018

Company reg. no. 37 24 21 44

The annual report was submitted and approved by the general meeting on the

21/5/19



Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The executive board has today presented the annual report of REI Mariendalsvej ApS for the financial year 1 January to 31 December 2018.

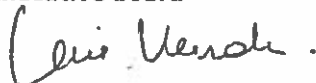
The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

København, 21 May 2019

Executive board



Line Verroken



Christophorus
Johannes Hoorenman



Jesper Dam



Independent auditor's report

To the shareholders of REI Mariendalsvej ApS

Opinion

We have audited the financial statements of REI Mariendalsvej ApS for the financial year 1 January – 31 December 2018, comprising income statement, balance sheet 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 Company's assets, liabilities and financial position at 31 December 2018 and of the results of the Company's operations for the financial year 1 January – 31 December 2018 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 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.

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.



Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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

- identify and assess the risks of material misstatement of the company 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 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 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.



Independent auditor's report

Statement on the 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 the work we have performed, 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, 21 May 2019

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

A handwritten signature in black ink, appearing to read 'Mette Klær Bach'.

Mette Klær Bach
State Authorised
Public Accountant
MNE no. 19812

Company data

The company	REI Mariendalsvej ApS Kr. Bernikowsgade 4, 1. sal 1105 København K
	Company reg. no. 37 24 21 44
	Financial year: 1 January 2018 - 31 December 2018 3rd financial year
Executive board	Line Verroken Christophorus Johannes Hoorenman Jesper Dam
Auditors	KPMG Dampfærgevej 28 2100 Copenhagen
Parent company	REI Investment I B.V. Prinses Beatrixlaan 35 2595 AK, The Hague Holland

Management's review

The principal activities of the company

Like previous years, the principal activity of the company is to own, develop, lease, purchase and sell real estate as well as any other business affiliate thereto.

Development in activities and financial matters

The gross loss for the year is DKK -1.480.000 against DKK -1.365.000 last year. The results from ordinary activities after tax are DKK -1.480.000 against DKK -1.473.000 last year. The management consider the results satisfactory.

Profit and loss account 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Gross loss	-1.480.264	-1.364.754
Other financial costs	0	-108.584
Results before tax	-1.480.264	-1.473.338
Tax on ordinary results	0	0
Results for the year	-1.480.264	-1.473.338
 Proposed distribution of the results:		
Allocated from results brought forward	-1.480.264	-1.473.338
Distribution in total	-1.480.264	-1.473.338

Balance sheet 31 December

All amounts in DKK.

Assets		<u>2018</u>	<u>2017</u>
<u>Note</u>			
Fixed assets			
1	Investment property	<u>329.644.474</u>	<u>219.769.243</u>
	Tangible fixed assets in total	<u>329.644.474</u>	<u>219.769.243</u>
	Fixed assets in total	<u>329.644.474</u>	<u>219.769.243</u>
Current assets			
2	Deferred tax assets	0	0
	Other debtors	4.442.047	19.958.365
	Accrued income and deferred expenses	0	68.169
	Debtors in total	<u>4.442.047</u>	<u>20.026.534</u>
	Available funds	<u>30.068.294</u>	<u>9.638.086</u>
	Current assets in total	<u>34.510.341</u>	<u>29.664.620</u>
	Assets in total	<u>364.154.815</u>	<u>249.433.863</u>

Balance sheet 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2018</u>	<u>2017</u>
	Equity		
3	Contributed capital	51.003	51.000
4	Results brought forward	<u>352.060.302</u>	<u>24.221.462</u>
	Equity in total	<u>352.111.305</u>	<u>24.272.462</u>
	Liabilities		
	Bank debts	0	131.252.713
	Trade creditors	12.043.510	14.631.015
	Debt to group enterprises	<u>0</u>	<u>79.277.673</u>
	Short-term liabilities in total	<u>12.043.510</u>	<u>225.161.401</u>
	Liabilities in total	<u>12.043.510</u>	<u>225.161.401</u>
	Equity and liabilities in total	<u>364.154.815</u>	<u>249.433.863</u>
5	Contingencies		
6	Related parties		

Accounting policies used

The annual report for REI Mariendalsvej ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

The profit and loss account

Gross loss

The gross loss comprises the external costs.

Other external costs comprise costs for administration and premises.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concern the financial year.

Interest and other costs concerning loans for financing the production of intangible and tangible fixed assets and concerning the production period are not recognised in the cost of the fixed asset.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Investment property

At the first recognition and as long as the investment property is under construction the investment property is measured at cost, comprising the cost of the property and directly attached costs, if any, including interest costs.

Accounting policies used

Hereafter, investment properties are measured individually at an estimated fair value. The properties are measured using a return-based model, by which the expected future cash flows for the next year along with a rate of return determined by an external assessor form the basis for the fair value of the properties. Compared to the latest financial year, the method of measurement used remains unchanged.

Costs which add new or improved qualities to an investment property compared to its condition at the time of acquisition and which thereby improves the future return on the property are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognised in the profit and loss account in the item "Costs concerning investment property".

Like other material fixed assets, except from land, investment property has a limited life financial life. The impairment taking place concurrently with the aging of the investment property is reflected in the current measuring of the investment property at fair value.

Value adjustments are recognised in the profit and loss account in the item "Value adjustments of property".

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Accrued income and deferred expenses

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

Available funds

Available funds comprise cash at bank.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, REI Mariendalsvej ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Accounting policies used

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Mortgage debt and bank debt are for instance measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Liabilities relating to investment properties are measured at amortised cost.

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

Notes

All amounts in DKK.

	<u>2018</u>	<u>2017</u>
1. Investment property		
Cost 1 January 2018	219.769.243	107.471.813
Additions during the year	<u>109.875.231</u>	<u>112.297.430</u>
Cost 31 December 2018	<u>329.644.474</u>	<u>219.769.243</u>
Book value 31 December 2018	<u>329.644.474</u>	<u>219.769.243</u>
Out of the costs 17,6 mio DKK is Interest costs (2017: 11,5 mio DKK).		
The property is under construction and is expected completed in the summer of 2019. The property therefore is valued at cost which is determined to equals the fair value of the property. The property will be used as student accomodations, a fitness center, parking lot, a cafe and senior housing		
2. Deferred tax assets		
Deferred tax asset of 4,0 mio DKK from tax losses brought forward is not recognised in the balance.		
3. Contributed capital		
Contributed capital 1 January 2018	51.000	51.000
Cash capital increase 10/8 2018	1	0
Cash capital increase 17/8 2018	1	0
Cash capital increase 21/12 2018	<u>1</u>	<u>0</u>
	<u>51.003</u>	<u>51.000</u>
4. Results brought forward		
Results brought forward 1 January 2018	24.221.462	25.694.800
Profit or loss for the year brought forward	-1.480.264	-1.473.338
Capital increase to premium	<u>329.319.104</u>	<u>0</u>
	<u>352.060.302</u>	<u>24.221.462</u>

Notes

All amounts in DKK.

5. Contingencies

Contingent liabilities

Warranty commitments

The company has issued a performance guarantee towards the main contractor of 18 mio. DKK. The performance guarantee runs until march 20, 2023.

Joint taxation

From August 10, 2018, the company is part a Joint Tax Group, with REI Denmark Copenhagen ApS, company reg. no 36 04 52 13 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Until August 10, 2018 the company was part of a Joint Tax Group with ST Skovbrynet Student ApS and until that date the company is liable for any tax claims against the other jointly taxed companies.

Notes

All amounts in DKK.

6. Related parties

Consolidated annual accounts

The company is a part of the consolidated financial statements of REI Investment I B.V and ING Groep N.V and can be obtained at the following address:

Smallest group:

ING Groep N. V
Bijlmerplein 888
1102 MG Amsterdam
P.O Box 1800, 1000 BV Amsterdam
The Netherlands

Smallest group:

REI Investment I B.V.
Prinses Beatrixlann 35
90504, 2509LM's - Gravenhage
Belgium