

REI Denmark Solvgade Holding A/S
Kristian Bernikowsgade 4, 1. sal, 1105 København K

Annual report

2016

Company reg. no. 37 64 68 81

The annual report have been submitted and approved by the general meeting on the 21 July 2017.

Jesper Dam
Chairman of the meeting

Contents

Page

Reports

- 1 Management's report
- 2 Independent auditor's report

Management's review

- 5 Company data
- 6 Management's review

Annual accounts 25 April - 31 December 2016

- 7 Accounting policies used
- 9 Profit and loss account
- 10 Balance sheet
- 12 Notes

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points remain unchanged from the Danish version of the document. This means that for instance DKK 146.940 is the same as the English amount of DKK 146,940, and that 23,5 % is the same as the English 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of REI Denmark Solvgade Holding A/S for the financial year 25 April to 31 December 2016.

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 as on 31 December 2016 and of the company's results of its activities in the financial year 25 April to 31 December 2016.

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

The annual report is recommended for approval by the general meeting.

Copenhagen, 6 June 2017

Managing Director

Jesper Dam

Board of directors

Christophorus J. Hoorenman
Chairman

Line Verroken

Jan Lyng-Petersen

Independent auditor's report

To the shareholder of REI Denmark Solvgade Holding A/S

Opinion

We have audited the annual accounts of REI Denmark Solvgade Holding A/S for the financial year 25 April to 31 December 2016, which comprise accounting policies used, profit and loss account, balance sheet and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2016 and of the results of the company's operations for the financial year 25 April to 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 6 June 2017

KPMG

Statsautoriseret Revisionspartnerselskab
Company reg. no. 25 57 81 98

Henrik O. Larsen
State Authorised Public Accountant

Company data

The company

REI Denmark Solvgade Holding A/S
Kristian Bernikowsgade 4, 1. sal
1105 København K

Company reg. no. 37 64 68 81
Financial year: 25 April - 31 December
 1st financial year

Board of directors

Christophorus J. Hoorenman, Chairman
Line Verroken
Jan Lyng-Petersen

Managing Director

Jesper Dam

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

Parent company

REI Investment I B.V
Prinses Beatrixlaan 35
2595 AK, The Hague
Holland

Subsidiary

REI Denmark Solvgade A/S, København

Management's review

The principal activities of the enterprise

The principal activity is to directly or indirectly to own, manage, develop and renting out properties.

Development in activities and financial matters

The results from ordinary activities after tax are DKK 13.018.454. The management consider the results satisfactory.

Accounting policies used

The annual report for REI Denmark Solvgade Holding A/S 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

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

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

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

Accounting policies used

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Debtors

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

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

Profit and loss account

<u>Note</u>	<u>25/4 - 31/12 2016</u>
Income from equity investments in group enterprises	<u>13.018.454</u>
Results before tax	13.018.454
Tax on ordinary results	<u>0</u>
Results for the year	<u>13.018.454</u>
 Proposed distribution of the results:	
Reserves for net revaluation as per the equity method	<u>13.018.454</u>
Distribution in total	<u>13.018.454</u>

Balance sheet

Assets		<u>31/12 2016</u>
<u>Note</u>		
Fixed assets		
1	Equity investments in group enterprises	<u>27.343.691</u>
	Financial fixed assets in total	<u>27.343.691</u>
Fixed assets in total		<u>27.343.691</u>
 Current assets		
	Amounts owed by group enterprises	<u>5.674.763</u>
	Debtors in total	<u>5.674.763</u>
Current assets in total		<u>5.674.763</u>
 Assets in total		<u>33.018.454</u>

Balance sheet

Equity and liabilities		<u>31/12 2016</u>
<u>Note</u>		
Equity		
2	Contributed capital	20.000.000
	Reserves for net revaluation as per the equity method	<u>13.018.454</u>
	Equity in total	<u>33.018.454</u>
 Equity and liabilities in total		 <u>33.018.454</u>
 3 Contingent liabilities		

Notes

	<u>31/12 2016</u>
1. Equity investments in group enterprises	
Acquisition sum, opening balance 25 April 2016	0
Additions during the year	<u>14.325.237</u>
Cost 31 December 2016	<u>14.325.237</u>
Revaluations, opening balance 25 April 2016	0
Results for the year	<u>13.018.454</u>
Revaluation 31 December 2016	<u>13.018.454</u>
Book value 31 December 2016	<u>27.343.691</u>

Group enterprises:

	Domicile	Share of ownership
REI Denmark Solvgade A/S	København	100 %

2. Contributed capital

Contributed capital 25 April 2016	1.000.000
Cash capital increase 24 June 2016	<u>19.000.000</u>
	<u>20.000.000</u>

3. Contingent liabilities

Joint taxation

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.