

**REI Denmark Solvgade Holding A/S**

**Kristian Bernikowsgade 4, 1. sal, 1105 København K**

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**Annual report**


**2017**

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**Company reg. no. 37 64 68 81**

The annual report have been submitted and approved by the general meeting on the

8/5-2018



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Chairman of the meeting

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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

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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 1 January to 31 December 2017.

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 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

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.

København, 8 May 2018

**Managing Director**



Jesper Dam

**Board of directors**



Christophorus J. Hoorenman  
Chairman



Line Verroken



Jan Lyng-Petersen



## Independent auditor's report

### To the shareholders 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 1 January – 31 December 2017, comprising income statement, balance sheet and notes, including accounting policies. 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 2017 and of the results of the Company's operations for the financial year 1 January – 31 December 2017 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 annual accounts" 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 annual accounts

Management is responsible for the preparation of annual accounts 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 annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, 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 annual accounts 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 annual accounts

Our objectives are to obtain reasonable assurance as to 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 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 annual accounts.

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 annual accounts, 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



## Independent auditor's report

- 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 annual accounts 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 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, and whether the annual accounts 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 the Management's review

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 form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the annual accounts 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 annual accounts 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.

København, 8 May 2018

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Jette Kjaer Bach  
State Authorised  
Public Accountant  
MNE no. 19812

## Company data

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<b>The company</b>	REI Denmark Solvgade Holding A/S Kristian Bernikowsgade 4, 1. sal 1105 København K  Company reg. no. 37 64 68 81 Financial year: 1 January - 31 December 2nd financial year
<b>Board of directors</b>	Christophorus J. Hoorenman, Chairman Line Verroken Jan Lyng-Petersen
<b>Managing Director</b>	Jesper Dam
<b>Auditors</b>	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 2100 København Ø
<b>Parent company</b>	REI Investment I B.V Prinses Beatrixlaan 35 2595 AK, The Hague Holland
<b>Subsidiary</b>	REI Denmark Solvgade A/S, København

## **Management's review**

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### **The principal activities of the company**

Like previous years, the principal activities 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 38.696.606 against DKK 13.018.454 last year. The management consider the results satisfactory.

The management will at the annual meeting after approving the annual accounts of the subsidiary with a proposed dividend of 2,5 mio. EURO. The dividend is not included in the annual accounts.

## Profit and loss account

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All amounts in DKK.

<u>Note</u>	<u>1/1 - 31/12 2017</u>	<u>25/4 - 31/12 2016</u>
Other external costs	-25.000	0
<b>Gross results</b>	<b>-25.000</b>	<b>0</b>
Income from equity investment in group enterprise	38.721.606	13.018.454
<b>Results before tax</b>	<b>38.696.606</b>	<b>13.018.454</b>
Tax on ordinary results	0	0
<b>Results for the year</b>	<b>38.696.606</b>	<b>13.018.454</b>
 <b>Proposed distribution of the results:</b>		
Reserves for net revaluation as per the equity method	38.721.606	13.018.454
Allocated from results brought forward	-25.000	0
<b>Distribution in total</b>	<b>38.696.606</b>	<b>13.018.454</b>



## Balance sheet 31 December

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All amounts in DKK.

<u>Note</u>	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
<b>Fixed assets</b>		
1 Equity investment in group enterprise	66.065.297	27.343.691
Financial fixed assets in total	<u>66.065.297</u>	<u>27.343.691</u>
<b>Fixed assets in total</b>	<b><u>66.065.297</u></b>	<b><u>27.343.691</u></b>
<b>Current assets</b>		
Amounts owed by group enterprises	5.649.763	5.674.763
Debtors in total	<u>5.649.763</u>	<u>5.674.763</u>
<b>Current assets in total</b>	<b><u>5.649.763</u></b>	<b><u>5.674.763</u></b>
<b>Assets in total</b>	<b><u>71.715.060</u></b>	<b><u>33.018.454</u></b>

## Balance sheet 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>	<u>2017</u>	<u>2016</u>	
<b>Equity</b>			
2	Contributed capital	20.000.000	20.000.000
3	Reserves for net revaluation as per the equity method	51.740.060	13.018.454
4	Results brought forward	-25.000	0
	<b>Equity in total</b>	<b><u>71.715.060</u></b>	<b><u>33.018.454</u></b>
	 <b>Equity and liabilities in total</b>	 <b><u>71.715.060</u></b>	 <b><u>33.018.454</u></b>

### 5 Contingencies

## **Accounting policies used**

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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).

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

## **The profit and loss account**

### **Other external costs**

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

### **Results from equity investment in group enterprise**

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the group enterprise is recognised in the profit and loss account at a proportional share of the group enterprise's 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.

## **Accounting policies used**

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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 investment in group enterprise**

Equity investment in group enterprise is 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 and associated 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.

To the extent the equity exceeds the cost, the net revaluation of equity investment in group enterprise is transferred to the reserves under the equity for net revaluation as per the equity method. Dividend from group enterprise 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 enterprise.

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 enterprise is 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.

## **Accounting policies used**

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### **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.

### **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 and associates in proportion to cost.

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

It is not possible to recognise the reserves with a negative amount.

## Notes

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All amounts in DKK.

	1/1 - 31/12 2017	25/4 - 31/12 2016
<b>1. Equity investment in group enterprise</b>		
Acquisition sum, opening balance 1 January 2017	14.325.237	0
Additions during the year	0	14.325.237
<b>Cost 31 December 2017</b>	<b>14.325.237</b>	<b>14.325.237</b>
Revaluations, opening balance 1 January 2017	13.018.454	0
Results for the year before goodwill amortisation	38.721.606	13.018.454
<b>Revaluation 31 December 2017</b>	<b>51.740.060</b>	<b>13.018.454</b>
<b>Book value 31 December 2017</b>	<b>66.065.297</b>	<b>27.343.691</b>
<b>Group enterprise:</b>		
	<b>Domicile</b>	<b>Share of ownership</b>
REI Denmark Solvgade A/S	København	100 %
The management of REI Solvgade A/S will at the annual meeting propose an dividend of 2,5 mio. EURO.		
<b>2. Contributed capital</b>		
Contributed capital 1 January 2017	20.000.000	1.000.000
Cash capital increase	0	19.000.000
	<b>20.000.000</b>	<b>20.000.000</b>
<b>3. Reserves for net revaluation as per the equity method</b>		
Reserves for net revaluation 1 January 2017	13.018.454	0
Share of results	38.721.606	13.018.454
	<b>51.740.060</b>	<b>13.018.454</b>

## Notes

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All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>
<b>4. Results brought forward</b>		
Profit or loss for the year brought forward	-25.000	0
	<u><b>-25.000</b></u>	<u><b>0</b></u>

## 5. Contingencies

### Joint taxation

REI Denmark Copenhagen ApS, company reg. no 36045213 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.