

# Emma Properties K/S

Fridtjof Nansens Plads 5, 2100, København Ø

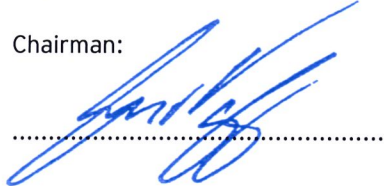
CVR no. 39 17 99 38

## Annual report 2017/18

(As of the establishment of the Company 18 December 2017 - 31 December 2018)

Approved at the Company's annual general meeting on 7 May 2019

Chairman:





## Contents

Statement by the Board of Directors	2
Independent auditor's report	3
Management's review	5
Financial statements for the period 18 December 2017 - 31 December 2018	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

## Statement by the Board of Directors

Today, the Management has discussed and approved the annual report of Emma Properties K/S for the financial year as of the establishment of the Company 18 December 2017 - 31 December 2018.

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 2018 and of the results of the Company's operations for the financial year as of the establishment of the Company 18 December 2017 - 31 December 2018.

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, 7 May 2019

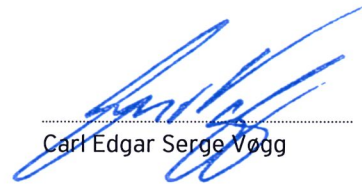
Executive Board of the general partner Emma ApS:



Harry Duncan MacDonald  
Chairman



Katia Ciesielska



Carl Edgar Serge Vøgg

## Independent auditor's report

To the limited partners of Emma Properties K/S

### Opinion

We have audited the financial statements of Emma Properties K/S for the financial year as of the establishment of the Company 18 December 2017 - 31 December 2018, which comprise 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 2018 and of the results of the Company's operations for the financial year as of the establishment of the company 18 December 2017 - 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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.

### 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 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 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 scepticism throughout the audit. We also:

- 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.



## 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 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 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 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.

Odense, 7 May 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Morten Schougaard Sørensen  
State Authorised Public Accountant  
mne32129

## Management's review

### Company details

Name	Emma Properties K/S
Address, Postal code, City	Fridtjof Nansens Plads 5, 2100, København Ø
CVR no.	39 17 99 38
Established	18 December 2017
Registered office	København
Financial year	18 December 2017 - 31 December 2018
Executive Board of the general partner Emma ApS	Harry Duncan MacDonald, Chairman  Katia Ciesielska Carl Edgar Serge Vøgg
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark

## **Management's review**

### **Business review**

The company's purpose is to own and hold shares in companies, buying, selling and renting real estate and any other related business.

### **Financial review**

The income statement for 2017/18 shows a loss of DKK 6,206,333, and the balance sheet at 31 December 2018 shows a negative equity of DKK 6,206,333.

Equity is expected to be recovered with positive income in the coming year.

The group company providing intercompany loan of DKK 69,380 thousand has declared that the loan will not be reclaimed in 2019.

Based on this the annual report has been prepared under the going concern assumption.

### **Events after the balance sheet date**

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end 2018.

## Financial statements for the period 18 December 2017 - 31 December 2018

### Income statement

Note	DKK	2017/18 13 months
	Gross margin	-382,982
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-1,976,762
	Profit/loss before net financials	-2,359,744
	Financial expenses	-3,846,589
	Profit/loss for the year	-6,206,333
	Recommended appropriation of profit/loss	-6,206,333
	Retained earnings/accumulated loss	-6,206,333



## Financial statements for the period 18 December 2017 - 31 December 2018

### Balance sheet

Note	DKK	2017/18
	<b>ASSETS</b>	
	<b>Fixed assets</b>	
	Property, plant and equipment	
	Land and buildings	121,570,880
		<u>121,570,880</u>
	<b>Total fixed assets</b>	<u>121,570,880</u>
	<b>Non-fixed assets</b>	
	Receivables	
	Other receivables	4,028,652
	Prepayments	1,001
		<u>4,029,653</u>
	<b>Cash</b>	<u>2,259,865</u>
	<b>Total non-fixed assets</b>	<u>6,289,518</u>
	<b>TOTAL ASSETS</b>	<u><u>127,860,398</u></u>

## Financial statements for the period 18 December 2017 - 31 December 2018

### Balance sheet

Note	DKK	2017/18
	<b>EQUITY AND LIABILITIES</b>	
	<b>Equity</b>	
	Retained earnings	-6,206,333
	<b>Total equity</b>	<b>-6,206,333</b>
	<b>Liabilities other than provisions</b>	
	<b>Non-current liabilities other than provisions</b>	
	Deposits	212,317
		<b>212,317</b>
	<b>Current liabilities other than provisions</b>	
	Bank debt	63,158,808
	Trade payables	21,018
	Payables to group enterprises	69,380,039
	Other payables	1,294,549
		<b>133,854,414</b>
	<b>Total liabilities other than provisions</b>	<b>134,066,731</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>127,860,398</b>

- 1 Accounting policies
- 2 Going concern uncertainties
- 3 Contractual obligations and contingencies, etc.
- 4 Collateral

## Financial statements for the period 18 December 2017 - 31 December 2018

### Statement of changes in equity

DKK	Retained earnings
Cash payments concerning formation of enterprise	0
Transfer through appropriation of loss	-6,206,333
Equity at 31 December 2018	-6,206,333

## Financial statements for the period 18 December 2017 - 31 December 2018

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Emma Properties K/S for 2017/18 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

### Income statement

#### Revenue

Revenue comprises rental income from the leases of properties. Revenue is recognised on an accrual basis.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

#### Gross margin

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

#### Other external expenses

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

#### Depreciation

The item comprises depreciation of property.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	50 years
-----------	----------

Land is not depreciated.

#### Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses etc.

### Balance sheet

#### Property, plant and equipment

Items of property are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

## Financial statements for the period 18 December 2017 - 31 December 2018

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### **Impairment of fixed assets**

Property are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset if this is lower than the carrying amount.

##### **Cash**

Cash comprises bank balances.

##### **Equity**

##### ***Proposed dividends***

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### **Income taxes**

The company is not an individual taxpayer thus tax of the company's operating profit/loss is not included in the financial 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 18 December 2017 - 31 December 2018

### Notes to the financial statements

#### 2 Going concern uncertainties

The group company providing intercompany loan of DKK 69,380 thousand has declared that the loan will not be reclaimed in 2019.

Based on this the annual report has been prepared under the going concern assumption.

#### 3 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The company is jointly taxed with other Danish group entities, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year, as well as withholding taxes on interest and dividends.

#### 4 Collateral

As security for the Company's mortgage debt, the Company has provided security or other collateral in its assets. The total carrying amount of these assets is DKK 121,571 thousands.