



Euromaster Ejendomme A/S

Krøyer Kielbergs Vej 3, 1.

DK-8660 Skanderborg

Central Business Registration No: 69902618

Annual report 2017

The Annual General Meeting adopted the annual report on 31.05.2018

Chairman of the General Meeting

Name: Regina M. Andersen

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Entity details

Entity

Euromaster Ejendomme A/S
Krøyer Kielbergs Vej 3, 1.
DK-8660 Skanderborg

Central Business Registration No: 69902618
Registered in: Skanderborg
Financial year: 01.01.2017 - 31.12.2017

Phone: +4587282828
Fax: +4587282829
Website: www.euromaster.dk
E-mail: info@dk.euromaster.com

Board of Directors

Karl de Quick, Chairman
Philippe Berther
Ove Bjørn Eichler

Executive Board

Ove Bjørn Eichler, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Værkmestergade 2
DK-8000 Aarhus C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Euromaster Ejendomme A/S for the financial year 01.01.2017 - 31.12.2017.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations for the financial year 01.01.2017 - 31.12.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Skanderborg, 31.05.2018

Executive Board

Ove Bjørn Eichler
Chief Executive Officer

Board of Directors

Karl de Quick
Chairman

Philippe Berther

Ove Bjørn Eichler

Independent auditor's report

To the shareholders of Euromaster Ejendomme A/S

Opinion

We have audited the financial statements of Euromaster Ejendomme A/S for the financial year 01.01.2017 - 31.12.2017, which comprise the 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.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2017 and of the results of its operations and cash flows for the financial year 01.01.2017 - 31.12.2017 in accordance with the Danish Financial statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter regarding circumstances in the financial statements

We draw attention to the section "Change of accounting estimates" in the Accounting policies, which describes the effects of changing the estimate of useful life of buildings to 25 years with a residual value of zero. Our opinion is not modified in respect of this matter.

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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 about 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 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 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
- Evaluate the appropriateness of accounting policies used and the reasonableness of
- Conclude on the appropriateness of Management's use of the going concern basis of
- Evaluate the overall presentation, structure and content of the financial statements,

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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 31.05.2018

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No: 33963556

Rasmus Brodd Johnsen
State Authorised Public Accountant
Identification number (MNE) 33217

Management commentary

Primary activities

The Company carries out property administration for the activities of the Euromaster Group in Denmark.

Development in activities and finances

During the year, Management has changed the accounting estimate regarding useful life and residual value of buildings to 25 years with a residual value of zero. The change is made in order to align with Group policies and because a useful life of 25 years is assessed to better reflect the market values after many years of heavy use and limited resources for maintenance.

As part of the changed accounting estimate, all accumulated amortizations on buildings have been adjusted. Buildings owned more than 25 years have been valued at zero and the amortizations of remaining buildings have been adjusted to an estimated useful life of 25 years. The change has negatively affected the result and equity with DKK 10.024k after tax.

Besides the above change, the result of the year is in line with expectations – but not satisfactory.

Outlook

The Company expects an unchanged level of activities in the year 2018, and a profit of DKK 3.500k.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement 2017

	Notes	2017 DKK'000	2016 DKK'000
Gross profit/loss		6.983	5.960
Depreciation, amortisation and impairment losses	1	(11.641)	(1.107)
Operating profit/loss		(4.658)	4.853
Other financial expenses	2	(220)	(216)
Profit/loss for the year		(4.878)	4.637
Proposed distribution of profit/loss			
Retained earnings		(4.878)	2.171
Ordinary dividend for the financial year		0	2.466
		(4.878)	4.637

Balance Sheet at 31.12.2017

	Notes	2017 DKK'000	2016 DKK'000
Land and buildings	3	32.666	44.846
Property, plant and equipment		32.666	44.846
Fixed assets		32.666	44.846
Trade receivables		244	86
Receivables from group enterprises		0	566
Receivables		244	652
Cash		0	0
Current assets		244	652
Assets		32.910	45.498

Balance Sheet at 31.12.2017

	Notes	2017 DKK'000	2016 DKK'000
Contributed capital	4	11.000	11.000
Retained earnings		(4.878)	0
Proposed dividend		0	2.466
Equity		6.122	13.466
Prepayments received from customers		50	50
Trade payables		28	9
Payables to group enterprises		26.079	31.343
Other payables		631	630
Current liabilities other than provisions		26.788	32.032
Liabilities other than provisions		26.788	32.032
Equity and liabilities		32.910	45.498
Contingent liabilities	5		
Mortgages and securities	6		
Group relations	7		

Statement of changes in equity for 2017

	<u>Contributed</u>	<u>Retained</u>	<u>Proposed</u>	<u>Total</u>
Equity beginning of year	11.000	0	2.466	13.466
Ordinary dividend paid		0	(2.466)	(2.466)
Profit/loss for the year	0	(4.878)	0	(4.878)
Equity	11.000	(4.878)	0	6.122

Notes

	2017 DKK'000	2016 DKK'000
1. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	11.641	1.107
	11.641	1.107

	2017 DKK'000	2016 DKK'000
2. Other financial expenses		
Financial expenses from group enterprises	212	213
Other financial expenses	8	3
	220	216

	Land and DKK'000
3. Property, plant and equipment	
Cost beginning of year	67.342
Transfer to and from other items	0
Additions	51
Disposals	(5.789)
Cost end of year	61.604
Depreciation and impairment losses beginning of the year	(22.496)
Depreciation for the year	(11.641)
Reversal regarding disposals	5.199
Depreciation and impairment losses end of the year	(28.938)
Carrying amount end of year	32.666

	Number	Par value DKK'000	Nominal value DKK'000
4. Contributed capital			
Contributed capital	11.000	1.000	11.000
Equity	11.000	1.000	11.000

5. Contingent liabilities

The Company participates in a Danish joint taxation arrangement in which Euromaster DK Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Company is therefore liable from the financial year 2013 for income taxes etc for the jointly taxed companies and from 1 July 2012 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed companies.

6. Mortgages and securities

None.

Notes

7. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest

Compagnie Générale des Etablissements Michelin, France.

Name and registered office of the Parent preparing consolidated financial statements for the smallest

Euromaster DK Holding A/S, Skanderborg.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied for these financial statements are, except for the changes in accounting estimates below, consistent with those applied last year.

Changes in accounting estimates

The accounting estimate regarding useful life and residual value of buildings has been changed to 25 years with a residual value of zero. The change is made in order to align with Group policies and because a useful life of 25 years is assessed to better reflect the market values after many years of heavy use and limited resources for maintenance.

Buildings owned more than 25 years have been valued at zero and the amortizations of remaining buildings have been adjusted to an estimated useful life of 25 years. The change has increased the amortizations in the financial year by DKK 10.024k. The profit of the year is effected negatively by DKK 10.024k, the total assets have been effected negatively by DKK 10.024k, and the equity has been effected negatively by DKK 10.024k.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Revenue

Revenue comprises lease income. Lease income is recognised in the lease periods.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including gains from the sale of property, plant and equipment.

Other external expenses

Other external expenses comprise expenses for administration, bad debts, etc.

Accounting policies

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of property, plant and equipment.

Other financial income

Other financial income comprises interest income on receivables from group enterprises etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises etc.

Balance sheet

Property, plant and equipment

Land and buildings are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	25 years
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Assets held for sale

Assets held for sale comprises land and buildings set for sale. Land and buildings set for sale are measured at cost less accumulated depreciation and impairment losses. When set for sale, land and buildings are not depreciated. Land and buildings set for sale are written down to the lower of carrying amount and estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.