

GR BRF ApS

Fridtjof Nansens Plads 5, 2100 København Ø

CVR no. 25 59 63 74

Annual report 2017

Approved at the Company's annual general meeting on 8 May 2018

Chairman:



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Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of GR BRF ApS for the financial year 1 January - 31 December 2017.

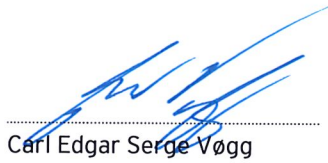
The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

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, 8 May 2018
Executive Board:



Carl Edgar Serge Vøgg



Robert McCorduck



Katia Ciesielska

Independent auditor's report

To the shareholders of GR BRF ApS

Opinion

We have audited the financial statements of GR BRF ApS for the financial year 1 January - 31 December 2017, 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 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 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 Group 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.
- ▶ 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.

Independent auditor's report

- ▶ 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, 8 May 2018

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Morten Schougaard Sørensen
State Authorised Public Accountant
MNE no.: mne32129

Management's review

Company details

Name	GR BRF ApS
Address, Postal code, City	Fridtjof Nansens Plads 5, 2100 København Ø
CVR no.	25 59 63 74
Established	18 December 2013
Registered office	Copenhagen
Financial year	1 January - 31 December
Executive Board	Carl Edgar Serge Vøgg Robert McCorduck Katia Ciesielska
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark

Management's review

Business review

The company is primarily engaged in investment in real estate and related activities.

Financial review

The income statement for 2017 shows a profit of DKK 6,339,633 against a loss of DKK 21,650 last year, and the balance sheet at 31 December 2017 shows equity of DKK 85,734,503.

The profit is influenced by gain from sale of property.

Management considers the Company's financial performance in the year as expected.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end 2017.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2017	2016
	Gross margin	14,309,826	6,078,255
2	Staff costs	0	0
	Amortisation/depreciation and impairment of property, plant and equipment	-3,358,300	-3,347,451
	Profit before net financials	10,951,526	2,730,804
	Income from investments in group entities	-701,232	153,651
	Financial income from group enterprises	655,462	569,129
	Financial income	45,341	0
	Financial expenses, group enterprises	-593,285	-558,696
	Financial expenses	-2,413,796	-2,624,649
	Profit before tax	7,944,016	270,239
	Tax for the year	-1,604,383	-291,889
	Profit/loss for the year	<u>6,339,633</u>	<u>-21,650</u>
	Recommended appropriation of profit/loss		
	Proposed dividend recognised under equity	60,805,103	0
	Retained earnings/accumulated loss	-54,465,470	-21,650
		<u>6,339,633</u>	<u>-21,650</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2017</u>	<u>2016</u>
	ASSETS		
	Fixed assets		
	Property, plant and equipment		
	Land and buildings	183,253,882	188,197,242
		<u>183,253,882</u>	<u>188,197,242</u>
	Investments		
	Investments in group entities, net asset value	25,195,009	25,896,241
	Other receivables	3,432,662	3,462,106
		<u>28,627,671</u>	<u>29,358,347</u>
	Total fixed assets	<u>211,881,553</u>	<u>217,555,589</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	14,258,604	13,422,808
	Deferred tax assets	0	688,515
	Joint taxation contribution receivable	0	99,246
	Other receivables	12,453,429	357,026
	Prepaid expenses	114,032	57,559
		<u>26,826,065</u>	<u>14,625,154</u>
	Cash	<u>9,797,041</u>	<u>9,707,070</u>
	Total non-fixed assets	<u>36,623,106</u>	<u>24,332,224</u>
	TOTAL ASSETS	<u><u>248,504,659</u></u>	<u><u>241,887,813</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	80,000	80,000
	Retained earnings	24,849,400	79,314,870
	Dividend proposed for the year	60,805,103	0
	Total equity	<u>85,734,503</u>	<u>79,394,870</u>
	Provisions		
	Deferred tax	781,401	0
	Other provisions	3,730,378	3,739,208
4	Total provisions	<u>4,511,779</u>	<u>3,739,208</u>
	Liabilities other than provisions		
3	Non-current liabilities other than provisions		
	Mortgage debt	123,491,767	132,151,698
	Deposits	5,204,978	5,092,832
		<u>128,696,745</u>	<u>137,244,530</u>
	Current liabilities other than provisions		
3	Current portion of long-term liabilities	8,577,317	3,522,420
	Trade payables	873,980	780,924
	Payables to group entities	17,312,058	16,754,483
	Income taxes payable	1,451,946	0
	Other payables	1,346,331	451,378
		<u>29,561,632</u>	<u>21,509,205</u>
	Total liabilities other than provisions	<u>158,258,377</u>	<u>158,753,735</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>248,504,659</u></u>	<u><u>241,887,813</u></u>

- 1 Accounting policies
- 5 Contractual obligations and contingencies, etc.
- 6 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2016	80,000	79,336,520	0	79,416,520
Transfer through appropriation of loss	0	-21,650	0	-21,650
Equity at 1 January 2017	80,000	79,314,870	0	79,394,870
Transfer through appropriation of profit	0	-54,465,470	60,805,103	6,339,633
Equity at 31 December 2017	80,000	24,849,400	60,805,103	85,734,503

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of GR BRF ApS for 2017 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.

In accordance with section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Revenue

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 operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains or losses on the sale of fixed assets.

Other external expenses

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

Depreciation

The item comprises depreciation of buildings.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

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
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Land is not depreciated.

Income from investments in subsidiaries

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries and associates after elimination of intra-group income or losses and net of amortisation and impairment of excess values at the time of acquisition.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its group entities are jointly taxed. The income tax charge is allocated between profit making and loss making Danish entities in proportion to their taxable income).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment 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.

Investments in subsidiaries

Equity investments in subsidiaries and associates are measured according to the equity method.

On initial recognition, equity investments in subsidiaries are measured at cost, i.e. plus transaction costs. The cost is allocated in accordance with the acquisition method.

The cost is adjusted by shares of profit/loss after tax calculated in accordance with the Group's accounting policies less or plus unrealised intra-group gains/losses.

Identified increases in value, if any, compared to the underlying entity's net asset value are amortised in accordance with the accounting policies for the assets and liabilities to which they can be attributed.

Dividend received is deduced from the carrying amount.

Equity investments in subsidiaries measured at net asset value are subject to impairment test requirements if there is any indication of impairment.

Impairment of fixed assets

Property, plant and equipment and investments in subsidiaries are subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation. Impairment tests are conducted in respect of individual assets or groups of assets generating separate cash flows when there is indications of impairment. The assets are written down to the higher of the value in use and net realisable value (recoverable amount) of the asset or group of assets if this is lower than the carrying amount.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and 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".

Provisions

Other provisions comprise maintenance liabilities in accordance with section 22 of the Danish Rent Act and section 18b of the Consolidated act on Temporary Regulation of Housing Conditions. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

2 Staff costs

The Company has no employees.

3 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 110,428 thousand falls due for payment after more than 5 years after the balance sheet date.

4 Provisions

Other provisions comprise maintenance liabilities.

Maintenance liabilities BRL § 18B, DKK 3,432,662.

Maintenance liabilities BRL § 22, DKK 297,716.

Maintenance liabilities total DKK 3,730,378.

Maintenance liabilities related to BRL § 18B are excepted to fall due within 2-5 years.

Maintenance liabilities related to BRL § 22 are excepted to fall due after 5 years.

5 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 as well as withholding taxes on interest and dividends.

6 Collateral

The following assets have been provided as collateral for mortgages:

- ▶ Property, plant and equipment with a carrying value of DKK 183,254 thousand.
- ▶ Letters of indemnity totalling DKK 7,000 thousand are held by the Company.
- ▶ Owners' mortgages totalling DKK 35,837 thousand are held by the Company.