Nordisk Ejendomsholding A/S

Fridtjof Nansens Plads 5, 2100 København Ø

CVR no. 33 38 89 34

Annual report 2018

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

Chairman:

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Building a better working world

Contents

Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Nordisk Ejendomsholding A/S for the financial year 1 January - 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 1 January - 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:

Katia Ciesielska

Board of Directors:

Harry Duncan MacDonald Chairman	Carl Edgar Serge Vøgg	Katia Ciesielska

Independent auditor's report

To the shareholders of Nordisk Ejendomsholding A/S

Opinion

We have audited the financial statements of Nordisk Ejendomsholding A/S for the financial year 1 January - 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 1 January - 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.
- 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, 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	Nordisk Ejendomsholding A/S
Address, Postal code, City	Fridtjof Nansens Plads 5, 2100 København Ø
CVR no.	33 38 89 34
Established	1 January 2011
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Harry Duncan MacDonald, Chairman Carl Edgar Serge Vøgg Katia Ciesielska
Executive Board	Katia Ciesielska
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark

Management's review

Business review

The principal activities of the company are to act as holding company, to performinvestments and investment management, and other related activities.

Financial review

The income statement for 2018 shows a loss of DKK 8,935,556 against a profit of DKK 18,226,981 last year, and the balance sheet at 31 December 2018 shows equity of DKK 83,779,841.

As per 1 January 2018 properties has been transferred to GR BRF Østerbrogade 41 ApS at book value and the shares in GR BRF Østerbrogade 41 ApS recived as compensation. The book value of the properties was DKK 17,327,359 and total equity value was DKK 1,915,521. The profit before tax of the properties transferred was DKK 42,859 in 2017

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 1 January - 31 December

Income statement

Note	DKK	2018	2017
	Gross margin	4,568,087	-457,991
	Amortisation/depreciation and impairment of property, plant and equipment	0	-332,819
	Profit/loss before net financials	4,568,087	-790,810
	Income from investments in group entities	-13,045,464	19,579,229
	Financial income from group enterprises	0	695,693
	Financial income	9,884	21,050
	Financial expenses, group enterprises	-551,033	-1,571,626
	Financial expenses	-7,973	-5,754
	Profit/loss before tax	-9,026,499	17,927,782
	Tax for the year	90,943	299,199
	Profit/loss for the year	-8,935,556	18,226,981

Recommended appropriation of profit/loss		
Proposed dividend recognised under equity	0	129,925,696
Retained earnings/accumulated loss	-8,935,556	-111,698,715
	-8,935,556	18,226,981

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2018	2017
	ASSETS		
	Fixed assets		
	Property, plant and equipment		
	Land and buildings	0	17,327,359
		0	17,327,359
	Investments		
	Investments in group entities	64,846,363	219,424,977
		64,846,363	219,424,977
	Total fixed assets	64,846,363	236,752,336
	Non-fixed assets		
	Receivables		
	Receivables from group entities	24,373,819	13,065,655
	Deferred tax assets	0	236,533
	Joint taxation contribution receivable	90,943	225,979
		24,464,762	13,528,167
	Cash	824,815	3,938,359
	Total non-fixed assets	25,289,577	17,466,526
	TOTAL ASSETS	90,135,940	254,218,862
	EQUITY AND LIABILITIES		
	Equity		
3	Share capital	11,000,000	11,000,000
	Retained earnings	72,779,841	81,715,397
	Dividend proposed for the year	0	129,925,696
	Total equity	83,779,841	222,641,093
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Payables to group entities	6,344,479	31,350,742
	Other payables	11,620	227,027
		6,356,099	31,577,769
	Total liabilities other than provisions	6,356,099	31,577,769
	TOTAL EQUITY AND LIABILITIES	90,135,940	254,218,862

1 Accounting policies
2 Staff costs
4 Contractual obligations and contingencies, etc.
5 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 2017	11,000,000	193,414,112	0	204,414,112
Transfer through appropriation of profit	0	-111,698,715	129,925,696	18,226,981
Equity at 1 January 2018	11,000,000	81,715,397	129,925,696	222,641,093
Transfer through appropriation of loss	0	-8,935,556	0	-8,935,556
Dividend distributed	0	0	-129,925,696	-129,925,696
Equity at 31 December 2018	11,000,000	72,779,841	0	83,779,841

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Nordisk Ejendomsholding A/S for 2018 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 112(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.

Reporting currency

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

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

Income statement

Revenue

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross margin

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross margin in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains 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 etc.

Depreciation

The item comprises depreciation of buildings.

Profit from investments in subsidiaries

A proportionate share of the underlying entities' profit/loss after tax is recognised in the income statement according to the equity method. Shares of profit/loss after tax in subsidiaries are presented as separate line items in the income statement. Full elimination of intra-group gains/losses is made for equity investments in subsidiaries.

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 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.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Cash

Cash comprise bank balances.

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.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

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.

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 1 January - 31 December

Notes to the financial statements

2 **Staff costs**

The Company has no employees.

DKK	2018	2017
3 **Share capital**		
Analysis of the share capital:		
1,100 A- shares of DKK 1,000.00 nominal value each	1,100,000	1,100,000
9,900 B- shares of DKK 1,000.00 nominal value each	9,900,000	9,900,000
	11,000,000	11,000,000

Analysis of changes in the share capital over the past 5 years:

DKK	2018	2017	2016	2015	2014
Opening balance	11,000,000	11,000,000	11,000,000	11,000,000	500,000
Capital increase	0	0	0	0	10,500,000
	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000

4 **Contractual obligations and contingencies, etc.**

Other contingent liabilities

Guarantee has been provided in respect of bank commitments in subsidiaries. The total debt to banks and mortage debt in these companies is DKK 31,265 thousand.

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

5 **Collateral**

The Company has not provided any security or other collateral in assets at 31 December 2018.