

# Annual report 2018

Company reg. no. 35 48 30 63

**Gefion Group Ejendomsudvikling K/S**

**Østergade 1, 2.**

**1100 København K**

The annual report have been submitted and approved by the general meeting on 24 April 2019.

---

Thomas Færch  
Chairman of the meeting

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 %.

Tel (+45) 43 96 06 56 | Fax (+45) 43 43 04 01 | [pkf@pkf.dk](mailto:pkf@pkf.dk) | [www.pkf.dk](http://www.pkf.dk)  
Hovedvejen 56 | DK-2600 Glostrup  
CVR-nr. 14 11 92 99 | Netværk: RevisorGruppen Danmark og PKF International

# Contents

---

	<b><u>Page</u></b>
<b>Reports</b>	
Management's report	1
Independent auditor's report	2
<b>Management's review</b>	
Company data	5
Financial highlights	6
Management's review	7
<b>Annual accounts 1 January - 31 December 2018</b>	
Accounting policies used	8
Profit and loss account	11
Balance sheet	12
Notes	14

## **Management's report**

---

The management has today presented the annual report of Gefion Group Ejendomsudvikling K/S for the financial year 1 January to 31 December 2018.

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

We consider the accounting policies used appropriate, and in my opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

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 K, 24 April 2019

### **Managing Director**

Thomas Færch

### **General partner**

GG Komplementar ApS

Thomas Færch

# Independent auditor's report

---

## To the limited partners of Gefion Group Ejendomsudvikling K/S

### Opinion

We have audited the annual accounts of Gefion Group Ejendomsudvikling K/S for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet and notes. 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 2018 and of the results of the company's operations for the financial year 1 January to 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 and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

### The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the 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, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it 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 about 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

## **Independent auditor's report**

---

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

### **Statement on the management's review**

The 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 kind of assurance opinion on the management's review.

## Independent auditor's report

---

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Glostrup, 24 April 2019

PKF Munkebo Vindelev  
State Authorised Public Accountants  
Company reg. no. 14 11 92 99

Peter Krogsrud Eriksen  
State Authorised Public Accountant  
mne34335

## Company data

---

<b>The company</b>	Gefion Group Ejendomsudvikling K/S Østergade 1, 2. 1100 København K
	Company reg. no. 35 48 30 63 Established: 10 September 2013 Domicile: The City of Copenhagen Financial year: 1 January - 31 December 6th financial year
<b>Managing Director</b>	Thomas Færch
<b>General partner</b>	GG Komplementar ApS
<b>Auditors</b>	PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup
<b>Bankers</b>	Handelsbanken, Amaliegade 3, 1256 København K Vestjysk Bank, Dalgasgade 29B, 7400 Herning
<b>Subsidiary</b>	K/S Lundsgade 9, København K/S GG 8, København K/S GG 9, København K/S GG 10, København



## Financial highlights

---

DKK in thousands.	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Profit and loss account:</b>					
Gross profit	-3.758	-2.953	-5.542	8.458	-106
Results from operating activities	-5.247	-11.512	-6.242	8.449	-106
Net financials	19.999	22.201	28.031	-154	-9
Results for the year	14.752	10.690	21.789	8.295	-115
<b>Balance sheet:</b>					
Balance sheet sum	36.305	84.573	83.363	9.796	763
Equity	18.835	29.083	33.394	8.181	-114
<b>Employees:</b>					
Average number of full time employees	2	9	1	0	0
<b>Key figures in %:</b>					
Acid test ratio	71,4	105,1	-	-	-
Solvency ratio	51,9	34,4	40,1	83,5	-14,9
Return on equity	61,6	34,2	104,8	205,7	-

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

## **Management's review**

---

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

The principal activities of the company are project development within real estate and related activities.

### **Development in activities and financial matters**

The results from ordinary activities after tax are DKK 14.752.000 against DKK 10.690.000 last year. The management consider the results satisfactory.

### **Events subsequent to the financial year**

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

## **Accounting policies used**

---

The annual report for Gefion Group Ejendomsudvikling K/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**

### **Gross loss**

The gross loss comprises the net turnover and other external costs.

The net turnover is recognised in the profit and loss account if delivery and risk transfer to the buyer have taken place before the end of the year, and if the income can be determined reliably and is expected to be received. The net turnover is recognised exclusive of VAT and taxes and with the deduction of any discounts granted in connection with the sale.

Other external costs comprise costs for sales, administration and premises.

### **Staff costs**

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

## **Accounting policies used**

---

### **Depreciation, amortisation and writedown**

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

### **Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

### **Results from equity investments in group enterprises**

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.

## **THE BALANCE SHEET**

### **Financial fixed assets**

#### **Equity investments in group enterprises**

Equity investments in group enterprises are 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 investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises 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 enterprises.

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.

## **Accounting policies used**

---

Profit or loss in connection with the sale of group enterprises are 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.

### **Deposits**

Deposits are measured at amortised cost and represent rent deposits, etc.

### **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.

### **Accrued income and deferred expenses**

Accrued income and deferred expenses recognised under assets comprise incurred costs concerning the next financial year.

### **Available funds**

Available funds comprise cash at bank.

### **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.

### **Liabilities**

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

## Profit and loss account 1 January - 31 December

---

All amounts in DKK.

<u>Note</u>	<u>2018</u>	<u>2017</u>
<b>Gross loss</b>	<b>-3.757.733</b>	<b>-2.952.656</b>
1 Staff costs	-1.497.970	-8.559.111
Depreciation and writedown relating to tangible fixed assets	8.750	0
<b>Operating profit</b>	<b>-5.246.953</b>	<b>-11.511.767</b>
Income from equity investments in group enterprises	19.923.298	22.903.712
Other financial income from group enterprises	1.795	1.171.876
Other financial income	1.648.953	2.580.947
2 Other financial costs	-1.574.843	-4.455.143
<b>Results for the year</b>	<b>14.752.250</b>	<b>10.689.625</b>
<b>Proposed distribution of the results:</b>		
Extraordinary dividend adopted during the financial year	25.000.000	0
Reserves for net revaluation as per the equity method	-2.248.416	26.076.365
Allocated from results brought forward	-7.999.334	-15.386.740
<b>Distribution in total</b>	<b>14.752.250</b>	<b>10.689.625</b>

## Balance sheet 31 December

---

All amounts in DKK.

<b>Assets</b>			
<u>Note</u>		<u>2018</u>	<u>2017</u>
<b>Fixed assets</b>			
3	Equity investments in group enterprises	23.827.949	26.076.365
4	Deposits	0	183.000
	Financial fixed assets in total	<u>23.827.949</u>	<u>26.259.365</u>
	<b>Fixed assets in total</b>	<b><u>23.827.949</u></b>	<b><u>26.259.365</u></b>
<b>Current assets</b>			
	Amounts owed by group enterprises	46.787	815.223
	Other debtors	11.290.947	56.761.746
	Claims for payment of contributed capital	1.000	1.000
	Accrued income and deferred expenses	0	500.562
	Debtors in total	<u>11.338.734</u>	<u>58.078.531</u>
	Available funds	<u>1.138.381</u>	<u>235.026</u>
	<b>Current assets in total</b>	<b><u>12.477.115</u></b>	<b><u>58.313.557</u></b>
	<b>Assets in total</b>	<b><u>36.305.064</u></b>	<b><u>84.572.922</u></b>

## Balance sheet 31 December

---

All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2018</u>	<u>2017</u>
<b>Equity</b>			
5	Contributed capital	1.000	1.000
6	Reserves for net revaluation as per the equity method	23.827.949	26.076.365
7	Results brought forward	-4.993.542	3.005.792
	<b>Equity in total</b>	<b><u>18.835.407</u></b>	<b><u>29.083.157</u></b>
<b>Liabilities</b>			
	Prepayments received from customers	0	280.303
	Trade creditors	0	1.338.247
	Debt to group enterprises	15.504.978	24.534.116
	Debt to shareholders and management	1.408.979	1.408.979
	Other debts	555.700	27.928.120
	Short-term liabilities in total	<u>17.469.657</u>	<u>55.489.765</u>
	<b>Liabilities in total</b>	<b><u>17.469.657</u></b>	<b><u>55.489.765</u></b>
	<b>Equity and liabilities in total</b>	<b><u>36.305.064</u></b>	<b><u>84.572.922</u></b>

### 8 Mortgage and securities



## Notes

All amounts in DKK.

	<u>2018</u>	<u>2017</u>
<b>1. Staff costs</b>		
Salaries and wages	1.321.722	7.911.599
Pension costs	94.398	441.371
Other costs for social security	5.964	32.657
Other staff costs	75.886	173.484
	<u><b>1.497.970</b></u>	<u><b>8.559.111</b></u>
Average number of employees	<u>2</u>	<u>9</u>
<b>2. Other financial costs</b>		
Financial costs, group enterprises	542.533	1.072.001
Other financial costs	1.032.310	3.383.142
	<u><b>1.574.843</b></u>	<u><b>4.455.143</b></u>
	<u><b>31/12 2018</b></u>	<u><b>31/12 2017</b></u>
<b>3. Equity investments in group enterprises</b>		
Revaluations, opening balance 1 January 2018	26.076.365	31.025.869
Results for the year before goodwill amortisation	19.995.400	22.903.712
Reversals for the year concerning disposals	-1.243.816	0
Dividend	-21.000.000	-27.853.216
	<u><b>23.827.949</b></u>	<u><b>26.076.365</b></u>
<b>Revaluation 31 December 2018</b>		
	<u><b>23.827.949</b></u>	<u><b>26.076.365</b></u>

### The financial highlights for the enterprises according to the latest approved annual reports

	Share of ownership	Equity	Results for the year	Book value at Gefion Group Ejendomsud- vikling K/S
K/S Lundsgade 9, København	100 %	-12.413	-17.163	0
K/S GG 8, København	100 %	713.801	-812.389	713.801
K/S GG 9, København	100 %	10.360.520	8.956.836	10.360.520
K/S GG 10, København	100 %	12.753.628	11.850.953	12.753.628
		<u><b>23.815.536</b></u>	<u><b>19.978.237</b></u>	<u><b>23.827.949</b></u>

## Notes

---

All amounts in DKK.

	<u>31/12 2018</u>	<u>31/12 2017</u>
<b>4. Deposits</b>		
Cost 1 January 2018	183.000	192.500
Additions during the year	0	28.500
Disposals during the year	-183.000	-38.000
<b>Cost 31 December 2018</b>	<u><b>0</b></u>	<u><b>183.000</b></u>
 <b>Book value 31 December 2018</b>	 <u><b>0</b></u>	 <u><b>183.000</b></u>
 <b>5. Contributed capital</b>		
Contributed capital 1 January 2018	1.000	1.000
	<u><b>1.000</b></u>	<u><b>1.000</b></u>
 <b>6. Reserves for net revaluation as per the equity method</b>		
Reserves for net revaluation 1 January 2018	26.076.365	0
Share of results	18.751.584	26.076.365
Distributed dividend	-21.000.000	0
	<u><b>23.827.949</b></u>	<u><b>26.076.365</b></u>
 <b>7. Results brought forward</b>		
Results brought forward 1 January 2018	3.005.792	18.392.532
Profit or loss for the year brought forward	-7.999.334	-15.386.740
Extraordinary dividend adopted during the financial year	25.000.000	0
Distributed extraordinary dividend adopted during the financial year.	-25.000.000	0
	<u><b>-4.993.542</b></u>	<u><b>3.005.792</b></u>

## Notes

---

All amounts in DKK.

### **8. Mortgage and securities**

The company has issued a guarantee related to certain borrowings and commitments in Gefion Group A/S and affiliated companies. The guarantee has a total value of DKK 25 m.

The company's shares in K/S GG 10 have been pledged as security for commitments reported in these and other affiliated companies. The shares have a total value of DKK 13 m.