

Gefion Group Ejendomsudvikling K/S

Østergade 1, 2., 1100 København K

Company reg. no. 35 48 30 63

Annual report

2019

The annual report have been submitted and approved by the general meeting on 10 June 2020.

Jacob Kruse Rasmussen
Chairman of the meeting

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management commentary	
Company information	5
Financial highlights	6
Management commentary	7
Financial statements 1 January - 31 December 2019	
Accounting policies	8
Income statement	11
Statement of financial position	12
Notes	14

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the management has presented the annual report of Gefion Group Ejendomsudvikling K/S for the financial year 2019.

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

We consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January – 31 December 2019.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting

.

København K, 10 June 2020

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 financial statements of Gefion Group Ejendomsudvikling K/S for the financial year 1 January - 31 December 2019, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 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 section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 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 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.

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 judgment 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 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 and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Glostrup, 10 June 2020

PKF Munkebo Vindelev

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

Peter Krogsrud Eriksen
State Authorised Public Accountant
mne34335

Company information

The company	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 7th financial year
Managing Director	Thomas Færch
General partner	GG Komplementar ApS
Auditors	PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab Hovedvejen 56 2600 Glostrup
Bankers	Handelsbanken, Amaliegade 3, 1256 København K Vestjysk Bank, Dalgasgade 29B, 7400 Herning
Subsidiaries	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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Income statement:					
Gross profit	-200	-3.812	-2.953	-5.542	8.458
Profit from ordinary operating activities	-200	-5.247	-11.512	-6.242	8.449
Net financials	5.494	19.999	22.201	28.031	-154
Net profit or loss for the year	5.294	14.752	10.690	21.789	8.295
Statement of financial position:					
Balance sheet total	48.734	36.305	84.573	83.363	9.796
Equity	24.129	18.835	29.083	33.394	8.181
Employees:					
Average number of full-time employees	0	2	9	1	0

Management commentary

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

Income or loss from ordinary activities after tax totals DKK 5.294.000 against DKK 14.752.000 last year. Management considers the net profit or loss for the year satisfactory.

Events occurring after the end of 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

The annual report for Gefion Group Ejendomsudvikling K/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Income statement

Gross loss

Gross loss comprises the revenue, cost of sales and other external costs.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Recognition of revenue is exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales comprises costs concerning purchase of raw materials and consumables less discounts.

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

Staff costs

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

Accounting policies

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of tangible assets, respectively.

Financial income and expenses

Financial income and expenses comprise interest. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

Statement of financial position

Investments

Equity in group enterprises

Equity in group enterprises recognised in the statement of financial position as a proportional share of the enterprise's equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Group enterprises with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserve under equity for net revaluation according to the equity method. Dividends from group enterprises expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in group enterprises.

Profit or loss in connection with the disposal of group enterprises are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Accounting policies

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries and associates proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Liabilities other than provisions

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

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Gross loss	-199.809	-3.811.835
1 Staff costs	0	-1.443.870
Depreciation and impairment of property, land, and equipment	<u>0</u>	<u>8.750</u>
Profit before net financials	-199.809	-5.246.955
Income from equity investments in group enterprises	5.902.278	19.908.748
Income from equity investments in associates	0	14.550
Other financial income from group enterprises	0	1.795
Other financial income	4.283.632	1.648.955
2 Other financial costs	<u>-4.692.116</u>	<u>-1.574.843</u>
Net profit or loss for the year	<u>5.293.985</u>	<u>14.752.250</u>
Proposed appropriation of net profit:		
Extraordinary dividend adopted during the financial year	0	25.000.000
Reserves for net revaluation according to the equity method	-3.097.722	-2.248.416
Transferred to retained earnings	8.391.707	0
Allocated from retained earnings	<u>0</u>	<u>-7.999.334</u>
Total allocations and transfers	<u>5.293.985</u>	<u>14.752.250</u>

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2019</u>	<u>2018</u>
Non-current assets		
3 Equity investments in group enterprises	20.730.227	23.827.949
Total investments	<u>20.730.227</u>	<u>23.827.949</u>
Total non-current assets	<u>20.730.227</u>	<u>23.827.949</u>
Current assets		
Receivables from group enterprises	0	46.787
Other receivables	27.961.273	11.290.947
Contributed capital in arrears	1.000	1.000
Total receivables	<u>27.962.273</u>	<u>11.338.734</u>
Cash on hand and demand deposits	<u>41.903</u>	<u>1.138.381</u>
Total current assets	<u>28.004.176</u>	<u>12.477.115</u>
Total assets	<u>48.734.403</u>	<u>36.305.064</u>

Statement of financial position at 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Equity and liabilities		
Equity		
4 Contributed capital	1.000	1.000
5 Reserve for net revaluation according to the equity method	20.730.227	23.827.949
6 Retained earnings	3.398.165	-4.993.542
Total equity	<u>24.129.392</u>	<u>18.835.407</u>
Liabilities other than provisions		
Trade payables	14.699	0
Payables to group enterprises	22.920.962	15.504.978
Payables to shareholders and management	1.549.877	1.408.979
Other payables	119.473	555.700
Total short term liabilities other than provisions	<u>24.605.011</u>	<u>17.469.657</u>
Total liabilities other than provisions	<u>24.605.011</u>	<u>17.469.657</u>
Total equity and liabilities	<u>48.734.403</u>	<u>36.305.064</u>

Notes

All amounts in DKK.

	2019	2018
1. Staff costs		
Salaries and wages	0	1.321.722
Pension costs	0	94.398
Other costs for social security	0	5.964
Other staff costs	0	21.786
	0	1.443.870
Average number of employees	0	2
2. Other financial costs		
Financial costs, group enterprises	4.547.469	542.533
Other financial costs	144.647	1.032.310
	4.692.116	1.574.843
	31/12 2019	31/12 2018
3. Equity investments in group enterprises		
Revaluations, opening balance 1 January 2019	23.827.949	26.076.365
Results for the year before goodwill amortisation	5.902.278	19.995.400
Reversals for the year concerning disposals	0	-1.243.816
Dividend	-9.000.000	-21.000.000
	20.730.227	23.827.949
Revaluation 31 December 2019		
	20.730.227	23.827.949
Carrying amount, 31 December 2019		
	20.730.227	23.827.949

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	Equity	Results for the year	Carrying amount, Gefion Group Ejendomsud vikling K/S
K/S Lundsgade 9, København	100 %	-34.590	-22.177	0
K/S GG 8, København	100 %	573.757	-140.045	573.757
K/S GG 9, København	100 %	-1.079.337	-2.439.857	0
K/S GG 10, København	100 %	20.156.470	7.402.842	20.156.470
		19.616.300	4.800.763	20.730.227

Notes

All amounts in DKK.

	<u>31/12 2019</u>	<u>31/12 2018</u>
4. Contributed capital		
Contributed capital 1 January 2019	1.000	1.000
	<u>1.000</u>	<u>1.000</u>
5. Reserve for net revaluation according to the equity method		
Reserves for net revaluation 1 January 2019	23.827.949	26.076.365
Share of results	5.902.278	18.751.584
Distributed dividend	<u>-9.000.000</u>	<u>-21.000.000</u>
	<u>20.730.227</u>	<u>23.827.949</u>
6. Retained earnings		
Retained earnings 1 January 2019	-4.993.542	3.005.792
Profit or loss for the year brought forward	8.391.707	-7.999.334
Extraordinary dividend adopted during the financial year	0	25.000.000
Distributed extraordinary dividend adopted during the financial year.	<u>0</u>	<u>-25.000.000</u>
	<u>3.398.165</u>	<u>-4.993.542</u>