Intertrust

Apollovej ApS

c/o Cobblestone A/S, Gammel Køge Landevej 57, 3., DK-2500 Valby

CVR no. 35 83 13 47

Annual report for 2018

Adopted at the annual general meeting on 25 June 2019

Mette Kapsch
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Apollovej ApS 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 company's financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January - 31 December 2018.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Valby, 25 June 2019

Management

Yves Barthels	Mette Kapsch	Romain Pierre André Delvert

Independent auditor's report

To the shareholder of Apollovej ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Com-pany 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.

We have audited the Financial Statements of Apollovej ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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 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 requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, where management has reported, that the company has breached a number of financial Covenants of Framework Agreement signed with Nordea AB. As stated in Note 1, this breach, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter

We draw attention to Note 1 to these financial statements, which describes the material uncertainty related to the valuation of the investment property. Our opinion is not modified in respect of this matter.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover management's review, and we do not express any form of assurance conclusion thereon.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review 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 management's review.

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 the 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 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 judgment and maintain professional skepticism throughout the audit. We also:

Independent auditor's report

- 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.

- 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 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.

Copenhagen, 25 June 2019

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Jesper Wiinholt	Martin Enderberg Lassen
state authorised public accountant	state authorised public accountant
MNE no. mne13914	MNE no. mne40044

Company details

The company	Apollovej ApS c/o Cobblestone A/S Gammel Køge Landevej 57, 3. DK-2500 Valby CVR no.: 35 83 13 47 Reporting period: 1 January - 31 December 2018 Domicile: Valby
Management	Yves Barthels Mette Kapsch Romain Pierre André Delvert
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Copenhagen

Management's review

Business activities
The object of the company is to operate a business of direct and indirect investment in real property, rental services and sale of completed properties.

Material uncertainty on going concern and valuation of investment properties
Reference is made to note 1, where the material uncertainties regarding going concern and the valuation of the investment properties are described.

Unusual matters
The company's financial position at 31 December 2018 and the results of its operations for the financial year ended 31 December 2018 are not affected by any unusual matters.

Business review
The company's income statement for the year ended 31 December shows a loss of DKK 42.211.459, and the balance sheet at 31 December 2018 shows equity of DKK 226.185.728.

Significant events occurring after end of reporting period
No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2018 DKK	2017 DKK
Gross profit		**13.735.333**	**-3.068.892**
Depreciation, amortisation and impairment of intangible assets and investment properties	3	-42.331.864	-2.089.536
Other operating expenses		2.670.782	-27.884.834
Other financial costs	4	-16.285.710	-15.110.742
Profit/loss before tax		**-42.211.459**	**-48.154.004**
Tax on profit/loss for the year		0	0
Profit/loss for the year		**-42.211.459**	**-48.154.004**

Distribution of profit

Retained earnings	-42.211.459	-48.154.004
	-42.211.459	**-48.154.004**

Balance sheet 31 December

	Note	2018 DKK	2017 DKK
Assets			
Investment properties		1.165.000.000	1.156.381.322
Tangible assets	5	**1.165.000.000**	**1.156.381.322**
Total non-current assets		**1.165.000.000**	**1.156.381.322**
Trade receivables		1.227.747	1.933.122
Receivables from group companies		50.961	239.095
Other receivables		32.363.854	56.749.756
Receivables		**33.642.562**	**58.921.973**
Cash at bank and in hand		**7.772.924**	**10.019.336**
Total current assets		**41.415.486**	**68.941.309**
Total assets		**1.206.415.486**	**1.225.322.631**

Balance sheet 31 December

	Note	2018 DKK	2017 DKK
Equity and liabilities			
Share capital		70.117.480	68.117.480
Retained earnings		156.068.248	196.377.342
Equity	6	**226.185.728**	**264.494.822**
Banks		837.353.558	747.678.106
Deferred income		1.532.500	0
Trade payables		19.533.250	95.539.608
Payables to group companies		106.808.143	95.393.947
Other payables		15.002.307	22.216.148
Total current liabilities		**980.229.758**	**960.827.809**
Total liabilities		**980.229.758**	**960.827.809**
Total equity and liabilities		**1.206.415.486**	**1.225.322.631**

Uncertainty about the continued operation (going concern)	1
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Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at 1 January 2018	68.117.480	196.377.342	264.494.822
Cash capital increase	2.000.000	8.000.000	10.000.000
Financial instruments	0	-6.097.635	-6.097.635
Net profit/loss for the year	0	-42.211.459	-42.211.459
Equity at 31 December 2018	**70.117.480**	**156.068.248**	**226.185.728**

Notes

1 Uncertainty about the continued operation (going concern)

Going concern

During the financial year ended 31 December 2018 the entity experienced losses of DKK 42.211.459 (2017: loss DKK 48.154.004). The Company has breached a number of Financial Covenants of the Framework Agreement signed with Nordea Bank AB, which indicates a material uncertainty on the Company's ability to continue as a going concern. Management is currently in active discussions with the lender to cure this breach and to approve the revised business plan. As part of the Framework agreement with the lenders, the shareholders / EPISO 3 LP have provided Guarantees in the amount of DKK150m, the use of which forms part of the cure and the revised Business Plan proposal. Any funds injected through calls on these guarantees would be in the form of shareholder equity.

It is likely that these discussions will not be completed for some time, however once the lender has approved the cure, it would allow the entity to meet its financial obligations as they fall due and as such, the financial statements have been prepared on a going concern basis

Impairment test of investment properties

The negative development in the company's activities is an indication of an impairment of the company's investment properties. The company has therefore carried out an impairment test to assess the fair value of the investment properties.

The impairment test has been prepared using a return-based model, where expected normalized future cash flows are discounted with a required yield, after which a fair value is calculated.

The impairment test is based on a number of different assumptions about the future development of the company's activities. Such assumptions are always associated with uncertainty.

The company's investment properties were completed in December 2017 and 2018 is therefore the first year the investment property is in operation, so there is material uncertainty about the assumptions of the future activity in the company. Even minor deviations in the assumptions can lead to major changes in the calculated fair value

The most significant assumptions in the impairment test is the management's assessment of the expected normalized operating profit. Management believes that the company's business plan will realize the expected normalized operating profit.

If the company's business plan, does not affect the operating profit with the growth estimated by the management, or if other assumptions that have been the basis for the impairment test change, this will lead to further write-downs, as the estimated operating profit will not occur.

Notes

	2018	2017
2 Staff expenses		
Average number of employees	0	0

	2018 DKK	2017 DKK
3 Depreciation, amortisation and impairment of intangible assets and investment properties		
Depreciation tangible assets	11.430.779	2.089.536
Impairment tangible assets	30.901.085	0
	42.331.864	**2.089.536**
4 Financial expenses		
Financial expenses, group companies	3.167.203	393.947
Other financial costs	13.118.507	14.716.795
	16.285.710	**15.110.742**

Notes

5 Tangible assets

	Investment properties
Cost beginning of the year at 1 January 2018	1.158.470.858
Additions for the year	50.950.542
Cost end of the year at 31 December 2018	1.209.421.400
Impairment losses and depreciation at 1 January 2018	2.089.536
Impairment losses for the year	30.901.085
Depreciation for the year	11.430.779
Impairment losses and depreciation at 31 December 2018	44.421.400
Carrying amount at 31 December 2018	**1.165.000.000**

6 Equity

The share capital consists of:

	Nominal value
A-1 shares of DKK -	62.979.722
A-2 shares of DKK -	62.979
A-3 shares of DKK -	62.979
B-1 shares of DKK -	6.997.754
B-2 shares of DKK -	6.998
B-3 shares of DKK -	6.998
	70.117.430

7 Contingencies, etc.

Other

The VAT adjustment liability regarding the use of the tangible assets amounts to DKK 29.469.898 at 31 December 2018.

The following assets have been placed as security with Bankers: Mortgage deeds registered to the mortgagor totalling DKK 850.000.000 providing security on land and buildings at a total carrying amount of DKK 1.165.000.000 at 31 December 2018.

Notes

7 Contingencies, etc. (continued)

The Danish group jointly taxed companies are jointly and severally liable for tax and the group's overall corporate and withholding taxes etc.

A guarantee of DKK 8.350.000 has been given.

8 Financial instruments

Derivative financial instruments contracts in the form of interest rate swaps have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to MDKK -6.

The company has entered an interest rate swap agreement in order to limit the interest rate risk in relation to a bank loan with a floating interest rate, representing an outstanding debt of MDKK 728, changes in the market value of the interest swap are recognized directly in equity. The below specification shows the hedging transactions concerning interest swap agreements recognized directly in equity.

Currency	Payment	Receivables	Payables	Hedged through	Netposition
		DKK	DKK	DKK	DKK
DKK	30.06.2023	8.624.485	14.722.120	728.295.824	-6.097.635
		8.624.485	**14.722.120**	**728.295.824**	**-6.097.635**

Accounting policies

The annual report of Apollovej ApS for 2018 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as selected rules applying to reporting class C.

The accounting policies applied are consistent with those of last year.

The annual report for 2018 is presented in DKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Revenue is measured at fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. Revenue is net of all types of discounts granted.

Accounting policies

Other operating expenses
Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and property, plant and equipment.

Other external expenses
Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Amortisation, depreciation and impairment losses
Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses
Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of-tax scheme, etc.

Tax on profit/loss for the year
Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet
Investment properties
Investment properties are measured at cost.

Investment properties are written down to its recoverable amount if this is lower than the carrying value.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

Investment properties	50	years	Scrap value 50%

Accounting policies

Gains or losses from the disposal of investment properties are recognised in the income statement as other operating income or other operating expenses, respectively.

Receivables
Receivables are measured at amortised cost. If the cost exceeds the recoverable amount, write-down is provided to the lower value.

Cash and cash equivalents
Cash and cash equivalents comprise cash and short-term securities whose remaining life is less than three months and which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Liabilities
Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income
Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation
On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Derivative financial instruments
Derivative financial instruments are initially recognized in the balance sheet at cost and are subsequently remeasured at the fair values. Positive and negative fair values of derivative financial instruments are classified as 'Other receivables' and 'Other payables', respectively.

Changes in the fair values of derivative financial instruments is designated and qualify as hedge accounting.