

# **K/S GG 10**

**c/o Gefion Group Ejendomsudvikling K/S, Østergade 1, 1., 1100 København K**

**Company reg. no. 36 49 64 87**

## **Annual report**

**2019**

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

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Jacob Kruse Rasmussen  
Chairman of the meeting

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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

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Today, the management has presented the annual report of K/S GG 10 for the financial year 2019.

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

I 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.

I am 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

### **General partner**

Komplementarselskabet GG 10 ApS

Thomas Færch

## **Independent auditor's report**

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**To the limited partner of K/S GG 10**

### **Opinion**

We have audited the financial statements of K/S GG 10 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**

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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**

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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

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|                        |   |
|------------------------|---|
| <b>The company</b>     | K/S GG 10<br>c/o Gefion Group Ejendomsudvikling K/S<br>Østergade 1, 1.<br>1100 København K  |
|                        | Company reg. no. 36 49 64 87<br>Established: 11 September 2014<br>Domicile: The City of Copenhagen<br>Financial year: 1 January - 31 December<br>6th financial year |
| <b>General partner</b> | Komplementarselskabet GG 10 ApS   |
| <b>Auditors</b>        | PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab<br>Hovedvejen 56<br>2600 Glostrup  |
| <b>Bankers</b>         | Handelsbanken, Amaliegade 3, 1256 København K   |
| <b>Parent company</b>  | Gefion Group Ejendomsudvikling K/S  |

## Financial highlights

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| DKK in thousands.                         | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| <b>Income statement:</b>                  |             |             |             |             |             |
| Gross profit                              | 4.692       | 11.851      | -30         | -19         | 958         |
| Profit from ordinary operating activities | 4.692       | 11.851      | -30         | -19         | 958         |
| Net financials                            | 2.710       | 0           | 0           | 0           | -6          |
| Net profit or loss for the year           | 7.403       | 11.851      | -30         | -19         | 952         |
| <b>Statement of financial position:</b>   |             |             |             |             |             |
| Balance sheet total                       | 34.323      | 77.480      | 146.924     | 87.441      | 80.980      |
| Equity                                    | 20.156      | 12.754      | 903         | 933         | 952         |



## **Management commentary**

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### **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 7.402.842 against DKK 11.850.953 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

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The annual report for K/S GG 10 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 profit

Gross profit comprises the revenue, changes in inventories of finished goods and work in progress 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 and changes in inventories.

Other external costs comprise costs incurred for administration.

### 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.

## Accounting policies

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### Statement of financial position

#### **Inventories**

Inventories are measured at cost on the basis of weighted measured average prices. In cases when the net realisable value is lower than the cost, the latter is written down for impairment to this lower value.

Costs of manufactured goods and work in progress comprise the cost of raw materials, consumables, direct wages, and indirect production costs. Indirect production costs comprise indirect materials and wages, maintenance and depreciation of machinery, factory buildings, and equipment used in the production process, and costs for factory administration and factory management. Borrowing expenses are not recognised in cost.

The net realisable value for inventories is recognised as the market price less costs of completion and selling costs. The net realisable value is determined with due consideration of negotiability, obsolescence, and the development of expected market prices.

#### **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.

#### **Cash on hand and demand deposits**

Cash on hand and demand deposits comprise cash at bank.

#### **Equity**

##### **Dividend**

Dividend expected to be distributed for the year is recognised as a separate item under equity. Proposed dividend is recognised as a liability at the time of approval by the annual general meeting (time of declaration).

##### **Other provisions**

Provisions comprise expected costs of warranty commitments, loss on work in progress, restructuring, etc. Provisions are recognised when the company has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the company.

If the settlement of the commitment is expected to take place in some remote future, provisions are measured at the net realisable value or at fair value.

Warranty commitments comprise commitments to repair work being carried out within the warranty period of 15 years. The provisions are measured at the net realisable value and recognised on the basis of experience with warranty work. If provisions have an expected due date later than 1 year from the reporting date, they are discounted at the average bond interest.

## **Accounting policies**

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On the acquisition of enterprises, provisions for restructuring within the acquiree is included in the acquisition cost, and, as such, in the goodwill or the consolidated goodwill, to the extent that they have been approved and announced, however, no later than on the date of acquisition.

When it is probable that the total costs will exceed the total income of contract work in progress, provisions are made for the total loss expected on the contract. Provisions are recognised as costs under production costs.

### **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

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All amounts in DKK.

| <u>Note</u>                                   | <u>2019</u>      | <u>2018</u>       |
|---|------------------|-------------------|
| <b>Gross profit</b>                           | <b>4.692.410</b> | <b>11.850.953</b> |
| Other financial income from group enterprises | 2.738.199        | 0                 |
| Other financial costs                         | -27.767          | 0                 |
| <b>Net profit or loss for the year</b>        | <b>7.402.842</b> | <b>11.850.953</b> |
| <b>Proposed appropriation of net profit:</b>  |                  |                   |
| Dividend for the financial year               | 16.000.000       | 0                 |
| Transferred to retained earnings              | 0                | 11.850.953        |
| Allocated from retained earnings              | -8.597.158       | 0                 |
| <b>Total allocations and transfers</b>        | <b>7.402.842</b> | <b>11.850.953</b> |

## Statement of financial position at 31 December

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All amounts in DKK.

| <b>Assets</b>                      |                   |                   |
|------------------------------------|-------------------|-------------------|
| <u>Note</u>                        | <u>2019</u>       | <u>2018</u>       |
| <b>Current assets</b>              |                   |                   |
| Work in progress                   | 12.817.237        | 24.488.587        |
| Total inventories                  | 12.817.237        | 24.488.587        |
| Receivables from group enterprises | 21.320.863        | 0                 |
| Other receivables                  | 11.932            | 0                 |
| Total receivables                  | 21.332.795        | 0                 |
| Cash on hand and demand deposits   | 173.437           | 52.991.347        |
| <b>Total current assets</b>        | <b>34.323.469</b> | <b>77.479.934</b> |
| <b>Total assets</b>                | <b>34.323.469</b> | <b>77.479.934</b> |

## Statement of financial position at 31 December

All amounts in DKK.

| <b>Equity and liabilities</b>                      |                          |                          |
|--|--------------------------|--------------------------|
| <u>Note</u>  | <u>2019</u>              | <u>2018</u>              |
| <b>Equity</b>                                      |                          |                          |
| 1 Retained earnings                                | 4.156.470                | 12.753.628               |
| 2 Proposed dividend for the financial year         | 16.000.000               | 0                        |
| <b>Total equity</b>                                | <b><u>20.156.470</u></b> | <b><u>12.753.628</u></b> |
| <br><b>Provisions</b>                              |                          |                          |
| Other provisions                                   | 5.790.976                | 8.860.866                |
| <b>Total provisions</b>                            | <b><u>5.790.976</u></b>  | <b><u>8.860.866</u></b>  |
| <br><b>Liabilities other than provisions</b>       |                          |                          |
| Trade payables                                     | 79.785                   | 259.088                  |
| Payables to group enterprises                      | 0                        | 46.787                   |
| Other payables                                     | 8.296.238                | 55.559.565               |
| Total short term liabilities other than provisions | 8.376.023                | 55.865.440               |
| <b>Total liabilities other than provisions</b>     | <b><u>8.376.023</u></b>  | <b><u>55.865.440</u></b> |
| <br><b>Total equity and liabilities</b>            | <b><u>34.323.469</u></b> | <b><u>77.479.934</u></b> |

### 3 Mortgage and securities

## Notes

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All amounts in DKK.

|  | <u>31/12 2019</u>        | <u>31/12 2018</u>        |
|--|--------------------------|--------------------------|
| <b>1. Retained earnings</b>                        |                          |                          |
| Retained earnings 1 January 2019                   | 12.753.628               | 902.675                  |
| Profit or loss for the year brought forward        | <u>-8.597.158</u>        | <u>11.850.953</u>        |
|  | <b><u>4.156.470</u></b>  | <b><u>12.753.628</u></b> |
| <br>   |                          |                          |
| <b>2. Proposed dividend for the financial year</b> |                          |                          |
| Dividend for the financial year                    | <u>16.000.000</u>        | <u>0</u>                 |
|  | <b><u>16.000.000</u></b> | <b><u>0</u></b>          |

### 3. Mortgage and securities

As security for debt instrument at a total amount of t.DKK 8.000 the company has issued owner's mortgage at a total amount of t.DKK 54.000 which is recognized as inventories in the annual report and represents a book value of t.DKK 12.817 on the balance sheet date.