

## Annual report 2017

Company reg. no. 37 04 30 79

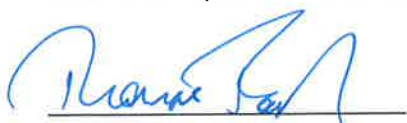
**GG Development 3 ApS**

**c/o Gefion Group A/S**

**Østergade 1, 2.**

**1100 København K**

The annual report have been submitted and approved by the general meeting on 31 May 2018.



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 %.

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## Management's report

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The managing director has today presented the annual report of GG Development 3 ApS for the financial year 1 January to 31 December 2017.

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

I 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 2017 and of the company's results of its activities in the financial year 1 January to 31 December 2017.

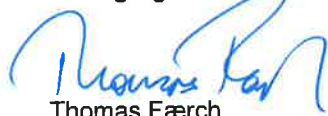
I am of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

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København K, 31 May 2018

**Managing Director**



Thomas Færch

## Independent auditor's report

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### To the shareholders of GG Development 3 ApS

#### Opinion

We have audited the annual accounts of GG Development 3 ApS for the financial year 1 January to 31 December 2017, 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 2017 and of the results of the company's operations for the financial year 1 January to 31 December 2017 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

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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 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**

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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.

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Glostrup, 31 May 2018

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



Peter Krogsrud Eriksen  
State Authorised Public Accountant  
MNE-nr. 34335

## Company data

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**The company**

GG Development 3 ApS  
c/o Gefion Group A/S  
Østergade 1, 2.  
1100 København K

Company reg. no. 37 04 30 79  
Established: 31 August 2015  
Domicile: The City of Copenhagen  
Financial year: 1 January 2017 - 31 December 2017  
2nd financial year

**Managing Director**

Thomas Færch

**Auditors**

PKF Munkebo Vindelev, Statsautoriseret Revisionsaktieselskab  
Hovedvejen 56  
2600 Glostrup

**Bankers**

Handelsbanken, Amaliegade 3, 1256 København K

**Parent company**

Gefion Group A/S

**Subsidiary**

GG St. Kongensgade 100 og 106 P/S, København

## Financial highlights

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DKK in thousands.	<u>2017</u>	<u>2015/16</u>
<b>Profit and loss account:</b>		
Gross loss	-181	-8
Results from operating activities	-850	-8
Net financials	-3.114	0
Results for the year	-3.235	-6
<b>Balance sheet:</b>		
Balance sheet sum	133.499	2.577
Equity	-3.192	44

The financial highlights for 2015/16 comprise the period 31 August 2015 - 31 December 2016.



## Management's review

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

The principal activities of the company are commerce with real estate or real estate companies and related activities.

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

The results from ordinary activities after tax are DKK -3.235.480 against DKK -6.373 last year. The management consider the results satisfactory.

The company has lost more than half of the share capital and is therefore subject to the Company Act § 119. The company expects to restore the capital through future earnings.

### **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.

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## **Accounting policies used**

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The annual report for GG Development 3 ApS 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.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated by using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or the recognition in the latest annual accounts of the amount owed or the liability is recognised in the profit and loss account under financial income and expenses.

## **THE PROFIT AND LOSS ACCOUNT**

### **Gross loss**

The gross loss comprises toher external costs.

## Accounting policies used

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Other external costs comprise costs for administration.

### 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.

### Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

## THE BALANCE SHEET

### Intangible fixed assets

#### Development projects, patents, and licences

Development costs and internally generated rights are recognised in the profit and loss account as costs in the acquisition year.

Patents and licenses are measured at cost with deduction of accrued amortisation. Patents are amortised on a straight-line basis over the remaining patent period, and licenses are amortised over the contract period, however, for a maximum of 10 years.

Gain and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price with deduction of sales costs and the book value at the time of the sale. Gain or loss are recognised in the profit and loss account as other operating income or other operating expenses respectively.

## Accounting policies used

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### Goodwill

Acquired goodwill is measured at cost with deduction of accumulated amortisation. As it is not possible to determine a reliable estimate of the useful life, the amortisation period is set at 10 years.

### 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 enterprise with negative equity is 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.

In connection with the acquisition of new group enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

## Accounting policies used

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### 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.

### Available funds

Available funds comprise cash at bank.

### Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

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According to the rules of joint taxation, GG Development 3 ApS is unlimited, jointly and severally liable towards the Danish tax arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

### Liabilities

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

## Profit and loss account

All amounts in DKK.

<u>Note</u>	<u>1/1 2017</u> <u>- 31/12 2017</u>	<u>31/8 2015</u> <u>- 31/12 2016</u>
<b>Gross loss</b>	<b>-181.333</b>	<b>-8.170</b>
Amortisation and writedown relating to goodwill	-668.302	0
Income from equity investments in group enterprises	-20.713	0
Other financial income from group enterprises	4.690.654	0
Other financial income	3.465.420	0
1 Other financial costs	-11.249.401	0
<b>Results before tax</b>	<b>-3.963.675</b>	<b>-8.170</b>
2 Tax on ordinary results	728.195	1.797
<b>Results for the year</b>	<b>-3.235.480</b>	<b>-6.373</b>
<b>Proposed distribution of the results:</b>		
Allocated from results brought forward	-3.235.480	-6.373
<b>Distribution in total</b>	<b>-3.235.480</b>	<b>-6.373</b>

## Balance sheet 31 December

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2017</u>	<u>2016</u>
<b>Fixed assets</b>		
3 Acquired concessions, patents, licenses, trademarks and similar rights	0	2.575.603
Intangible fixed assets in total	0	2.575.603
4 Equity investments in group enterprises	16.350.223	0
Financial fixed assets in total	16.350.223	0
<b>Fixed assets in total</b>	<b>16.350.223</b>	<b>2.575.603</b>
<b>Current assets</b>		
Amounts owed by group enterprises	98.511.874	0
5 Deferred tax assets	727.795	1.797
Debtors in total	99.239.669	1.797
Available funds	17.908.620	0
<b>Current assets in total</b>	<b>117.148.289</b>	<b>1.797</b>
<b>Assets in total</b>	<b>133.498.512</b>	<b>2.577.400</b>

## Balance sheet 31 December

All amounts in DKK.

<b>Equity and liabilities</b>		<b>2017</b>	<b>2016</b>
<u>Note</u>		<u></u>	<u></u>
<b>Equity</b>			
6	Contributed capital	50.000	50.000
7	Results brought forward	-3.241.853	-6.373
	<b>Equity in total</b>	<b>-3.191.853</b>	<b>43.627</b>
<b>Liabilities</b>			
8	Other debts	133.539.882	0
	Long-term liabilities in total	133.539.882	0
	Debt to group enterprises	3.107.195	2.526.273
	Other debts	43.288	7.500
	Short-term liabilities in total	3.150.483	2.533.773
	<b>Liabilities in total</b>	<b>136.690.365</b>	<b>2.533.773</b>
	<b>Equity and liabilities in total</b>	<b>133.498.512</b>	<b>2.577.400</b>
<b>9</b>	<b>Mortgage and securities</b>		
<b>10</b>	<b>Contingencies</b>		



## Notes

All amounts in DKK.

	<b>1/1 2017 - 31/12 2017</b>	<b>31/8 2015 - 31/12 2016</b>
<b>1. Other financial costs</b>		
Financial costs, group enterprises	162.369	0
Other financial costs	11.087.032	0
	<b>11.249.401</b>	<b>0</b>
<b>2. Tax on ordinary results</b>		
Tax of the results for the year, parent company	-2.197	0
Adjustment for the year of deferred tax	-725.998	-1.797
	<b>-728.195</b>	<b>-1.797</b>
	<b>31/12 2017</b>	<b>31/12 2016</b>
<b>3. Acquired concessions, patents, licenses, trademarks and similar rights</b>		
Cost 1 January 2017	2.575.603	0
Additions during the year	0	2.575.603
Disposals during the year	-2.575.603	0
<b>Cost 31 December 2017</b>	<b>0</b>	<b>2.575.603</b>
<b>Book value 31 December 2017</b>	<b>0</b>	<b>2.575.603</b>

## Notes

All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>
<b>4. Equity investments in group enterprises</b>		
Acquisition sum, opening balance 1 January 2017	0	0
Additions during the year	17.039.238	0
<b>Cost 31 December 2017</b>	<b>17.039.238</b>	<b>0</b>
Revaluations, opening balance 1 January 2017	0	0
Results for the year before goodwill amortisation	-20.713	0
<b>Writedown 31 December 2017</b>	<b>-20.713</b>	<b>0</b>
Amortisation of goodwill, opening balance 1 January 2017	0	0
Amortisation of goodwill for the year	-668.302	0
<b>Depreciation on goodwill 31 December 2017</b>	<b>-668.302</b>	<b>0</b>
<b>Book value 31 December 2017</b>	<b>16.350.223</b>	<b>0</b>
The items include goodwill with an amount of	15.370.936	0
Goodwill is recognised under the item "Additions during the year" with an amount of	16.039.238	0

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

	Share of owner- ship	Equity	Results for the year	Book value at GG Development 3 ApS
GG St. Kongensgade 100 og 106 P/S, København	100 %	979.287	-20.713	16.350.223

## Notes

All amounts in DKK.

	<u>31/12 2017</u>	<u>31/12 2016</u>		
<b>5. Deferred tax assets</b>				
Deferred tax assets 1 January 2017	1.797	0		
Deferred tax of the results for the year	725.998	1.797		
	<u><b>727.795</b></u>	<u><b>1.797</b></u>		
The following items are subject to deferred tax:				
Intangible fixed assets	0	-3.213		
Cost of borrowing	-2.464.639	0		
Work in progress, GG St. Kongensgade 100 og 106 P/S	-1.186.765	0		
Losses brought forward from previous years	4.379.199	5.010		
	<u><b>727.795</b></u>	<u><b>1.797</b></u>		
<b>6. Contributed capital</b>				
Contributed capital 1 January 2017	50.000	50.000		
	<u><b>50.000</b></u>	<u><b>50.000</b></u>		
<b>7. Results brought forward</b>				
Results brought forward 1 January 2017	-6.373	0		
Profit or loss for the year brought forward	-3.235.480	-6.373		
	<u><b>-3.241.853</b></u>	<u><b>-6.373</b></u>		
<b>8. Liabilities</b>				
	<b>Instalments first year</b>	<b>Outstanding debt after 5 years</b>	<b>Debt in total 31 Dec 2017</b>	<b>Debt in total 31 Dec 2016</b>
Other debts	0	0	133.539.882	0
	<u><b>0</b></u>	<u><b>0</b></u>	<u><b>133.539.882</b></u>	<u><b>0</b></u>
<b>9. Mortgage and securities</b>				
As security for other debts, t.DKK 144.743, mortgage has been granted on equity investments in group enterprises representing a book value of t.DKK 16.350 at 31 December 2017				

## Notes

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All amounts in DKK.

### **Mortgage and securities (continued)**

#### **10. Contingencies**

##### **Joint taxation**

Gefion Group ApS, company reg. no 37 04 25 60 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.