

København Sydhavn ApS

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

CVR no. 37 07 84 17

Annual report 2018

Approved at the Company's annual general meeting on

Chairman: *14 March 2019*

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of København Sydhavn 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2018 and of the results of the Group's and the Company's operations for the financial year 1 January - 31 December 2018.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 21 marts 2019
Executive Board:



Katrin Stracke



Rikke Lykke



Independent auditor's report

To the shareholders of København Sydhavn ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of København Sydhavn ApS for the financial year 1 January - 31 December 2018, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2018, and of the results of the Group's and Parent Company's operations for the financial year 1 January - 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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 rules and requirements.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 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 Group's and the Parent 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 Group or the Parent 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 as to 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 the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

Copenhagen, 21 March 2019
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28


Kaare K. Lendorf
State Authorised Public Accountant
mne33819



Management's review

Company details

| | |
|----------------------------|---|
| Name | København Sydhavn ApS |
| Address, Postal code, City | c/o Cobblestone A/S Gammel Køge Landevej 57, 3., 2500 Valby |
| CVR no. | 37 07 84 17 |
| Registered office | København |
| Financial year | 1 January - 31 December |
| Executive Board | Katrin Stracke Rikke Lykke |
| Auditors | Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, P.O. Box 250, 2000 Frederiksberg, Denmark |

Management commentary

Business review

The Group's primary activity is to own and to lease a housing complex.

København Sydhavn ApS acquired at 1 November 2016 the shares in Kommanditaktieselskabet Østre Teglgade 7 and the general partner Komplementarselskabet Østre Teglgade ApS. Kommanditaktieselskabet Østre Teglgade 7 owns a newly constructed property consisting of a housing complex with the total letting area of approximately 12,559 square metres divided into 120 apartments and 7 town houses including parking space in the vicinity of the city centre of Copenhagen.

Financial review

In 2018, the group's revenue amounted to DKK 21,198 thousand against DKK 20,318 last year. The income statement for 2018 shows a loss of DKK 2,506 thousand against a profit of DKK 8,080 thousand last year, and the group's balance sheet at 31 December 2018 shows equity of DKK 106,142 thousand. Management considers the group's financial performance in the year satisfactory.

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.



Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

| Note | DKK'000 | Group | | Parent company | |
|------|---|---------|---------|----------------|---------|
| | | 2018 | 2017 | 2018 | 2017 |
| | Revenue | 21,198 | 20,318 | 0 | 0 |
| | Other external expenses | -4,981 | -5,655 | -801 | -789 |
| | Gross margin | 16,217 | 14,663 | -801 | -789 |
| 2 | Staff costs | 0 | 0 | 0 | 0 |
| | Operating profit/loss before fair value adjustments | 16,217 | 14,663 | -801 | -789 |
| | Fair value adjustments of investment property | 1,778 | 9,828 | 0 | 0 |
| | Profit/loss before net financials | 17,995 | 24,491 | -801 | -789 |
| | Income from investments in group entities | 0 | 0 | 2,000 | 0 |
| | Financial income | 3,390 | 1,086 | 0 | 0 |
| | Financial expenses | -23,863 | -15,218 | -10,400 | -10,434 |
| | Profit/loss before tax | -2,478 | 10,359 | -9,201 | -11,223 |
| 3 | Tax for the year | -28 | -2,279 | -31 | -2,284 |
| | Profit/loss for the year | -2,506 | 8,080 | -9,232 | -13,507 |
| | Recommended appropriation of profit/loss | | | -9,232 | -13,507 |
| | Retained earnings/accumulated loss | | | -9,232 | -13,507 |



Consolidated financial statements and parent company financial statements 1 January -
31 December

Balance sheet

| Note | DKK'000 | Group | | Parent company | |
|------|-------------------------------------|---------------------------------|----------------|----------------|----------------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | ASSETS | | | |
| | | Non-current assets | | | |
| 4 | Property, plant and equipment | | | | |
| 5 | Investment property | 466,100 | 464,300 | 0 | 0 |
| | | 466,100 | 464,300 | 0 | 0 |
| | | Financial assets | | | |
| | Investments in group entities, cost | 0 | 0 | 209,949 | 209,926 |
| | | 0 | 0 | 209,949 | 209,926 |
| | Total non-current assets | 466,100 | 464,300 | 209,949 | 209,926 |
| | | Current assets | | | |
| | Receivables | Receivables from group entities | | | |
| | | 0 | 0 | 41 | 24 |
| | Other receivables | 166 | 111 | 0 | 0 |
| | Prepayments | 0 | 2 | 0 | 0 |
| | | 166 | 113 | 41 | 24 |
| | Cash | 20,668 | 21,374 | 2,212 | 11,451 |
| | Total current assets | 20,834 | 21,487 | 2,253 | 11,475 |
| | TOTAL ASSETS | 486,934 | 485,787 | 212,202 | 221,401 |



Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

| Note | DKK'000 | Group | | Parent company | |
|------|-------------------------------|------------------------|---------|----------------|---------|
| | | 2018 | 2017 | 2018 | 2017 |
| | | | | | |
| | | EQUITY AND LIABILITIES | | | |
| | | Equity | | | |
| 6 | Share capital | 86,295 | 86,295 | 86,295 | 86,295 |
| | Retained earnings | 19,847 | 22,353 | -28,636 | -19,404 |
| | Total equity | 106,142 | 108,648 | 57,659 | 66,891 |
| 7 | Non-current liabilities | | | | |
| 8 | Deferred tax | 6,348 | 6,321 | 6,360 | 6,328 |
| | Mortgage debt | 215,778 | 196,794 | 0 | 0 |
| | Payables to group entities | 148,080 | 148,080 | 148,080 | 148,080 |
| | Deposits | 7,689 | 8,410 | 0 | 0 |
| | Total non-current liabilities | 377,895 | 359,605 | 154,440 | 154,408 |
| | Current liabilities | | | | |
| | Mortgage debt | 1,452 | 0 | 0 | 0 |
| | Trade payables | 492 | 1,558 | 68 | 67 |
| | Other payables | 953 | 15,976 | 35 | 35 |
| | Total current liabilities | 2,897 | 17,534 | 103 | 102 |
| | Total liabilities | 380,792 | 377,139 | 154,543 | 154,510 |
| | TOTAL EQUITY AND LIABILITIES | 486,934 | 485,787 | 212,202 | 221,401 |

- 1 Accounting policies
- 9 Collateral
- 10 Related parties



Consolidated financial statements and parent company financial statements 1 January -
31 December

Statement of changes in equity

| DKK'000 | Group | | |
|--|---------------|-------------------|---------|
| | Share capital | Retained earnings | Total |
| Equity at 1 January 2018 | 86,295 | 22,353 | 108,648 |
| Transfer through appropriation of loss | 0 | -2,506 | -2,506 |
| Equity at 31 December 2018 | 86,295 | 19,847 | 106,142 |

| DKK'000 | Parent company | | |
|--|----------------|-------------------|--------|
| | Share capital | Retained earnings | Total |
| Equity at 1 January 2018 | 86,295 | -19,404 | 66,891 |
| Transfer through appropriation of loss | 0 | -9,232 | -9,232 |
| Equity at 31 December 2018 | 86,295 | -28,636 | 57,659 |



Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of København Sydhavn ApS for 2018 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The figures regarding Kommanditaktieselskab Østre Telgade 7 are included in the consolidated financial statements for København Sydhavn ApS, why there is no requirement to submit stand-alone financial statements for this entity. Instead of submitting stand-alone financial statements for Kommanditaktieselskab Østre Telgade 7, Management will submit an exemption statement in accordance with section 5(1) of the Danish Financial Statements Act.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Preparation of consolidated financial statements

The consolidated financial statements are comprise the parent København Sydhavn ApS, and entities controlled by the the parent. Control id presumed to exist when the parent owns, directly or indirectly, more than half of the voting power of an entity. Control may also exist by virtue of an agreement or articles of association or when the parent otherwise has a controlling interest in the subsidiary or actually exercises controlling influence over it.

The existence and impact of potential voting rights that are actually exercisable or convertible are taken into account when assessing whether control exists.

The consolidated financial statements have been prepared as a consolidation of the parent company's and the individual subsidiaries' financial statments, which are prepared according to the Group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-gruop transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains in so far as they do not reflect impairment.

Corporate acquisitions are accounted for using the purchase method, according to which the acquired entity's identifiable assets and liabilities acquried are measured at their fair values at the date of acquisition. Restructuring costs reconised in the acquried entity before the date of acquisition and not agreed as part of the acquisition are part of the acqusion balance sheet and, hence, the calculation of goodwill. Restructuring costs decided by the acquiring entity must be reconised in the income statement. Allowance is made for the tax effect of revaluations made. Any excess of the cost over fair valueog the identifiable assets and liabilities acquried (goodwill) is reconised as intangible assets and amortised on a systematic basis in the income statment based on an individual income in the income statement at the time of acquisition when the general revenue recognition criteriae are met. Goodwill and negative goodwill from acquired entities can be adjusted until 12 months after the year of acquisition.

Entities over which the Group has significant influence are considered associates. The Group is considered to have significant influence when it directly og indirectly holds between 20% and 50% og the voting rights or otherwise has or actually exercieses significant influence. Associates are recognies in the consolidated financial statements at their net asset value.



Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Investment property

On initial recognition, investment property is measured at cost. Investment property is subsequently measured at fair value, and the value adjustment for the year is recognised in the income statement under 'Fair value adjustment of investment property'. The fair value is based on the expected future cash flows for the investment property. Debt relating to investment property is measured at amortised cost. The cost of the year is recognised in the income statement under 'financial cost'.

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Rental income receivable from operating leases is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis.

The lease period is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where at the inception of the lease the directors are reasonably certain that the tenant will exercise that option. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the income statement when they arise.

Service charges and expenses recoverable from tenants:

Income arising from expenses recharged to tenants is recognised in the period in which the expense can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue when the directors consider that the Group acts as principal and net when the directors consider that the Group acts as agent.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to advertising, administration, premises, bad debts, etc.

Profit from investments in subsidiaries



Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The item includes dividends from investments in subsidiaries and associates. Dividend distributions that either exceed the profit for the year or where the carrying amount of the investments exceeds the consolidated carrying amounts of the subsidiary's net assets will indicate impairment for which reason an impairment test will have to be conducted.

Financial income and expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, fair value adjustment of swap, etc.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, 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

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.



Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Other liabilities are measured at net realisable value.

2 Staff costs

Group

The group has no employees.

| | Group | | Parent company | |
|--------------------------------------|-------|-------|----------------|-------|
| | 2018 | 2017 | 2018 | 2017 |
| DKK'000 | | | | |
| 3 Tax for the year | | | | |
| Deferred tax adjustments in the year | 28 | 2,279 | 31 | 2,284 |
| | 28 | 2,279 | 31 | 2,284 |

4 Property, plant and equipment

| | Group |
|-------------------------------------|---------------------|
| DKK'000 | Investment property |
| Cost at 1 January 2018 | 422,296 |
| Additions in the year | 23 |
| Cost at 31 December 2018 | 422,319 |
| Revaluations at 1 January 2018 | 42,004 |
| Revaluations in the year | 1,777 |
| Revaluations at 31 December 2018 | 43,781 |
| Carrying amount at 31 December 2018 | 466,100 |

Note 9 provides more details on security for loans, etc. as regards property, plant and equipment.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

5 Investment property

Group

The Group invests in rental property. Investment property is recognised at fair value with value adjustment over the income statement, see the provisions in section 38 of the Danish Financial Statements Act.

Fair value estimation

The independent appraisers JLL have been consulted for purposes of estimating the fair values of the investment property.

The valuation model used to estimate the fair value is a DCF model with a ten-year budget model.

Expected future cash flows are based on budgets approved by management for the coming years and an estimated terminal value for the remaining life of the property. The discount factor comprises the risk-free interest rate and a risk premium for the property.

The most significant fair value assumptions are the following:

- ▶ Vacancy 2.0%
- ▶ Exit yield 3.5%
- ▶ Inflation rate 1.68% - 1.70%
- ▶ First year NOI DKK 16.6 million and terminal value DKK 323,2 million

6 Share capital

Analysis of changes in the share capital over the past 4 years:

| DKK'000 | 2018 | 2017 | 2016 | 2015 |
|------------------|--------|--------|--------|------|
| Opening balance | 86,295 | 86,295 | 50 | 50 |
| Capital increase | 0 | 0 | 86,245 | 0 |
| | 86,295 | 86,295 | 86,295 | 50 |

7 Non-current liabilities

| DKK'000 | Group | | | |
|----------------------------|--------------------------|----------------------|-------------------|--------------------------------|
| | Total debt at 31/12 2018 | Repayment, next year | Long-term portion | Outstanding debt after 5 years |
| Deferred tax | 6,348 | 0 | 6,348 | 0 |
| Mortgage debt | 217,230 | 1,452 | 215,778 | 0 |
| Payables to group entities | 148,080 | 0 | 148,080 | 0 |
| Deposits | 7,689 | 0 | 7,689 | 0 |
| | 379,347 | 1,452 | 377,895 | 0 |

Amortised borrowing costs recognised in mortgage debt represents DKK 447 thousand.



Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

| DKK'000 | Group | | Parent company | |
|---|--------|--------|----------------|--------|
| | 2018 | 2017 | 2018 | 2017 |
| 8 Deferred tax | | | | |
| Deferred tax, investment properteis | 11,250 | 10,492 | 0 | 0 |
| Tax loss carry-forwards | -4,372 | -3,543 | -4,361 | -2,638 |
| Deferred tax, participation in limited partnership | 0 | 0 | 10,721 | 8,966 |
| Deferred tax, other | -2 | 40 | 0 | 0 |
| Unrecognized deferred tax liabilities regarding initial recognition differences | -528 | -668 | 0 | 0 |
| Deferred tax at 31 December | 6,348 | 6,321 | 6,360 | 6,328 |

9 Collateral

Group

As security for the Group's debt to mortgage credit institutions, DKK 217.2 million, the Group has pledged investment property. The total carrying amount of the assets placed as security was DKK 466.1 million at 31 December 2018.

Parent company

The shares in Kommanditaktieselskabet Østre Teglgade 7 have been pledged to PATRIZIA GrundInvest København Südhafen GmbH & Co. geschlossene Investment-KG

10 Related parties

Parties exercising control

| Related party | Domicile | Basis for control |
|---|----------|------------------------|
| PATRIZIA GrundInvest København Südhafen GmbH & Co. geschlossene Investment-KG | Germany | Participating interest |