



Block GKL 4 ApS

Havnegade 39
1058 København K
CVR No. 37511420

Annual report 01.07.2018 - 31.12.2019

The Annual General Meeting adopted the
annual report on 20.08.2020

Maja Hesselberg
Chairman of the General Meeting

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Entity details

Entity

Block GKL 4 ApS
Havnegade 39
1058 København K

CVR No.: 37511420
Registered office: København
Financial year: 01.07.2018 - 31.12.2019

Executive Board

Hugo Marcus Vernon Black
Morten Sennecker Schultz

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P. O. Box 1600
0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Block GKL 4 ApS for the financial year 01.07.2018 - 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.07.2018 - 31.12.2019.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 20.08.2020

Executive Board

Hugo Marcus Vernon Black

Morten Sennecker Schultz

Independent auditor's report

To the shareholders of Block GKL 4 ApS

Opinion

We have audited the financial statements of Block GKL 4 ApS for the financial year 01.07.2018 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.07.2018 - 31.12.2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of 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.

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 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement 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 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, 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 conclude that the management commentary 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 commentary.

Copenhagen, 20.08.2020

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Lars Andersen

State Authorised Public Accountant
Identification No (MNE) mne27762

Management commentary

Primary activities

The purpose of the company is rental for housing purposes and related business.

Description of material changes in activities and finances

The company realised a gain of 88 mio which is as expected by the management, following the sale of the investment property during the year

As a result of the sale the management expects a lower result in 2020.

Development in activities and finances

The company has lost the equity, which will be reestablished by capital injection from the company's owners.

Events after the balance sheet date

At July 23, 2020 the company has increased the share capital with nominally DKK 1,000 at a subscription rate of 160,000 to a cash contribution of DKK 1,600,000.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2018/19

	Notes	2018/19 DKK	2017/18 DKK
Gross profit/loss		116,372,895	(23,806)
Other financial income	2	2,603,670	0
Other financial expenses	3	(6,647,589)	(8,415)
Profit/loss before tax		112,328,976	(32,221)
Tax on profit/loss for the year	4	(24,710,201)	6,669
Profit/loss for the year		87,618,775	(25,552)
Proposed distribution of profit and loss			
Extraordinary dividend distributed in the financial year		106,000,000	0
Retained earnings		(18,381,225)	(25,552)
Proposed distribution of profit and loss		87,618,775	(25,552)

Balance sheet at 31.12.2019

Assets

	Notes	2018/19 DKK	2017/18 DKK
Property, plant and equipment in progress		0	194,539,694
Property, plant and equipment	5	0	194,539,694
Fixed assets		0	194,539,694
Income tax receivable		0	1,000
Prepayments		0	278,886
Receivables		0	279,886
Cash		30,175,317	311,607
Current assets		30,175,317	591,493
Assets		30,175,317	195,131,187

Equity and liabilities

	Notes	2018/19 DKK	2017/18 DKK
Contributed capital		80,000	80,000
Retained earnings		(1,538,483)	16,842,742
Equity		(1,458,483)	16,922,742
Deferred tax		0	4,767,049
Provisions		0	4,767,049
Deposits		0	2,001,601
Prepayments received from customers		0	651,000
Non-current liabilities other than provisions		0	2,652,601
Mortgage debt		0	4,463
Trade payables		33,125	4,256,468
Joint taxation contribution payable		30,862,681	0
Other payables		737,994	166,527,864
Current liabilities other than provisions		31,633,800	170,788,795
Liabilities other than provisions		31,633,800	173,441,396
Equity and liabilities		30,175,317	195,131,187
Events after the balance sheet date	1		
Contingent liabilities	6		

Statement of changes in equity for 2018/19

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	80,000	16,842,742	16,922,742
Extraordinary dividend paid	0	(106,000,000)	(106,000,000)
Profit/loss for the year	0	87,618,775	87,618,775
Equity end of year	80,000	(1,538,483)	(1,458,483)

Notes

1 Events after the balance sheet date

The company's equity is lost. The company's owners have on the 23.07.2020, invested additional capital in the company for the re-establishment of the company's equity.

2 Other financial income

	2018/19 DKK	2017/18 DKK
Financial income from group enterprises	2,603,047	0
	2,603,047	0

3 Other financial expenses

	2018/19 DKK	2017/18 DKK
Other interest expenses	6,647,589	8,415
	6,647,589	8,415

4 Tax on profit/loss for the year

	2018/19 DKK	2017/18 DKK
Current tax	29,477,250	0
Change in deferred tax	(4,767,049)	(6,669)
	24,710,201	(6,669)

5 Property, plant and equipment

	Property, plant and equipment in progress DKK
Cost beginning of year	194,539,694
Additions	34,622,481
Disposals	(229,162,175)
Cost end of year	0
Carrying amount end of year	0

6 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which KEEP Svea HoldCo ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes ext. for the jointly taxed entities and also for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Non-comparability

The Company has changed the financial year to 1. January - 31. December, with a transition period of 18 months, 1. July 2018 - 31. December 2019. As a consequence there is a lack of comparability with previous years' figures.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue from rental income, other operating income and other external expenses.

Revenue

Revenue related to property operation is recognised in the rental income. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises of gains on the sale of property, plant and equipment.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet**Property, plant and equipment**

Land and buildings are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, subsuppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.