

**Amager Strandvej 60-
64/Ved Amagerbanen 37
ApS**
Østergade 1, 1.
1100 København K
Business Registration No
37511455

**Annual report 01.07.2017
- 31.12.2018**

The Annual General Meeting adopted the annual report on 31.05.2019

Chairman of the General Meeting

Name: Thomas Færch

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2018	7
Balance sheet at 31.12.2018	8
Statement of changes in equity for 2018	10
Notes	11
Accounting policies	14

Entity details

Entity

Amager Strandvej 60-64/Ved Amagerbanen 37 ApS
Østergade 1, 1.
1100 København K

Central Business Registration No (CVR): 37511455

Registered in: København

Financial year: 01.07.2017 - 31.12.2018

Executive Board

Thomas Færch, CEO

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
Postboks 1600
0900 København C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Amager Strandvej 60-64/Ved Amagerbanen 37 ApS for the financial year 01.07.2017 - 31.12.2018.

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 31.12.2018 and of the results of its operations for the financial year 01.07.2017 - 31.12.2018.

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, 31.05.2019

Executive Board

Thomas Færch
CEO

Independent auditor's report

To the shareholders of Amager Strandvej 60-64/Ved Amagerbanen 37 ApS

Opinion

We have audited the financial statements of Amager Strandvej 60-64/Ved Amagerbanen 37 ApS for the financial year 01.07.2017 - 31.12.2018, 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 31.12.2018 and of the results of its operations for the financial year 01.07.2017 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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:

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 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.

Independent auditor's report

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, 31.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556

Lars Andersen
State Authorised Public Accountant
Identification No (MNE) mne27762

Management commentary

Primary activities

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

Development in activities and finances

The results from ordinary activities after tax is a profit of DKK 4.798.676 against a profit of DKK 935.232 last year. The management consider the results as expected.

Investment property was during the year transferred to work in progress as part of development of a real estate project. The transferred amount to work in progress equals DKK 240.234.099.

The company has during the year extended the financial year until 31 December 2018, covering 18 months, due to entering into a new group, Gefion Group A/S. Comparison figures covers 12 months and has not been adjusted.

Events after the balance sheet date

In 2019 the Company has obtained a construction loan facility amounting to DKK 865m for the purpose of refinancing existing debt in the project and financing the remaining development project.

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

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Gross profit		9.210.465	3.838.882
Depreciation, amortisation and impairment losses		(436.586)	(866.489)
Operating profit/loss		8.773.879	2.972.393
Other financial income	2	0	20.231
Other financial expenses	3	(2.326.773)	(1.793.609)
Profit/loss before tax		6.447.106	1.199.015
Tax on profit/loss for the year	4	(1.648.430)	(263.783)
Profit/loss for the year		4.798.676	935.232
Proposed distribution of profit/loss			
Retained earnings		4.798.676	935.232
		4.798.676	935.232

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Investment property		0	239.000.000
Property, plant and equipment	5	0	239.000.000
Investments in associates		19.651	0
Fixed asset investments	6	19.651	0
Fixed assets		19.651	239.000.000
Work in progress		443.126.689	0
Inventories	7	443.126.689	0
Trade receivables		0	55.825
Receivables from group enterprises		7.873.120	0
Other receivables		6.050.435	5.365.035
Income tax receivable		68.000	0
Prepayments		124.253	85.013
Receivables		14.115.808	5.505.873
Cash	8	629.624	2.586.440
Current assets		457.872.121	8.092.313
Assets		457.891.772	247.092.313

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		80.000	80.000
Revaluation reserve		46.573.474	42.132.047
Retained earnings		86.219.923	81.421.247
Equity		132.873.397	123.633.294
Deferred tax		36.531.952	33.630.812
Provisions		36.531.952	33.630.812
Mortgage debt		0	57.620.382
Deposits		3.218.787	3.224.063
Income tax payable		0	132.572
Non-current liabilities other than provisions		3.218.787	60.977.017
Trade payables		6.842.931	20.190.713
Payables to group enterprises		277.166.276	0
Income tax payable		0	139.788
Other payables		1.258.429	8.520.689
Current liabilities other than provisions		285.267.636	28.851.190
Liabilities other than provisions		288.486.423	89.828.207
Equity and liabilities		457.891.772	247.092.313
Staff costs	1		
Contingent liabilities	9		
Assets charged and collateral	10		
Group relations	11		

Statement of changes in equity for 2018

	Contributed capital DKK	Revaluation reserve DKK	Retained earnings DKK	Total DKK
Equity beginning of year	80.000	42.132.047	81.421.247	123.633.294
Revaluations for the year	0	5.694.137	0	5.694.137
Tax of entries on equity	0	(1.252.710)	0	(1.252.710)
Profit/loss for the year	0	0	4.798.676	4.798.676
Equity end of year	80.000	46.573.474	86.219.923	132.873.397

Notes

	<u>2018</u>	<u>2017</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
2. Other financial income		
Other financial income	<u>0</u>	<u>20.231</u>
	<u>0</u>	<u>20.231</u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
3. Other financial expenses		
Financial expenses from group enterprises	176.264	0
Other interest expenses	911.316	0
Other financial expenses	<u>1.239.193</u>	<u>1.793.609</u>
	<u>2.326.773</u>	<u>1.793.609</u>
	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
4. Tax on profit/loss for the year		
Change in deferred tax	<u>1.648.430</u>	<u>263.783</u>
	<u>1.648.430</u>	<u>263.783</u>

Notes

	Investment property DKK
	<u>DKK</u>
5. Property, plant and equipment	
Cost beginning of year	186.132.730
Transfers	(182.109.279)
Disposals	<u>(4.023.451)</u>
Cost end of year	<u>0</u>
Depreciation and impairment losses beginning of year	(1.426.605)
Transfers	1.863.191
Depreciation for the year	<u>(436.586)</u>
Depreciation and impairment losses end of year	<u>0</u>
Fair value adjustments beginning of year	54.293.875
Fair value adjustments for the year	5.694.136
Reversal regarding disposals	<u>(59.988.011)</u>
Fair value adjustments end of year	<u>0</u>
Carrying amount end of year	<u>0</u>

Transfers and reversal regarding disposals is related to the transfers of the investment property to work in progress as part of development of a real estate project.

	Investments in associates DKK
	<u>DKK</u>
6. Fixed asset investments	
Additions	<u>19.651</u>
Cost end of year	<u>19.651</u>
Carrying amount end of year	<u>19.651</u>

	Equity inte- rest %
Registered in	Corpo- rate form
Investments in associates comprise:	
Udbygningsselskabet af 2017 Komplementar ApS	Odense ApS 40,9
Udbygningsselskabet af 2017 K/S	Copenhagen K/S 40,9

Notes

7. Inventories

Inventories includes capitalized interest expenses and financing costs of DKK 26.436.424 (2017: DKK 0).

8. Cash

Cash includes DKK 629.624 where the use is restricted for specific purposes, such as interest payments, project development or construction or pledged as security.

9. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Gefion Group A/S 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 etc for the jointly taxed entities and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

10. Assets charged and collateral

As security for bond debt in the Parent company DKK 318.470.958, an owner's mortgages in the amount DKK 374.000.000 has been granted on work in progress representing a book value of DKK 443.126.689 at 31 December 2018.

11. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Gefion Group A/S, Copenhagen

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:

Gefion Group A/S, Copenhagen

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 during the year extended the financial year until 31 December 2018, covering 18 months, due to entering into a new group, Gefion Group A/S. Comparison figures covers 12 months and has not been adjusted.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, own work capitalised, other operating income and external expenses.

Revenue

The sale method is used to recognize income on projects sold. Thus, profit are recognized once the project has been sold, construction completed and all essential elements of the sales agreement fulfilled, including delivery and transfer of risk to the buyer.

Rental income on completed projects and investment properties is accrued and recognized in accordance with the lease agreements concluded.

Other external expenses

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

Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises 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 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.

Accounting policies

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.

Balance sheet

Investment property

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date.

The financial year's adjustments of the properties' fair value are recognised in the balance sheet.

Investments in associates

Investments in associates are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

Inventories

Work in progress consist of real property projects.

The project portfolio is recognized on the basis of the direct cost attributable to the projects, including interest during project period. Where considered necessary, the projects have been written down to a lower value, and capitalized amounts are subjected to impairment tests on a continuous basis to ensure that the assets are written down to the extent that the carrying amount exceeds the estimated net realised value.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

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.

Accounting policies

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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.