

KEEP II GKL 2 ApS
c/o Keystone Investment
Management A/S Havnegade 39
1058 Copenhagen K
Business Registration No
37954454

Annual report 2018

The Annual General Meeting adopted the annual report on 22.05.2019

Chairman of the General Meeting

Name: Maja Hesselberg

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Entity details

Entity

KEEP II GKL 2 ApS

c/o Keystone Investment Management A/S Havnegade 39
1058 Copenhagen K

Central Business Registration No (CVR): 37954454

Registered in: Copenhagen

Financial year: 01.01.2018 - 31.12.2018

Executive Board

Morten Sennecker Schultz

Hugo Marcus Vernon Black

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

Postboks 1600

0900 København C

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of KEEP II GKL 2 ApS for the financial year 01.01.2018 - 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 01.01.2018 - 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, 22.05.2019

Executive Board

Morten Sennecker Schultz

Hugo Marcus Vernon Black

Independent auditor's extended review report

To the shareholders of KEEP II GKL 2 ApS

Conclusion

We have performed an extended review of the financial statements of KEEP II GKL 2 ApS for the financial year 01.01.2018 - 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.

Based on our extended review, 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 01.01.2018 - 31.12.2018 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements". We are independent of the Entity 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 requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

Independent auditor's extended review report

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

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 extended review 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 extended review 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 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, 22.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No (CVR) 33963556

Lars Andersen

State Authorised Public Accountant

Identification No (MNE) mne27762

Management commentary

Primary activities

The Company's purpose is to operate as holding company by owning investments in enterprises that acquire, sell and manage real estate both directly and through a company.

Development in activities and finances

The company realised a loss of 349 thousand which is as expected by the management.

Management expects a similar result in 2019.

Events after the balance sheet date

No 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>2016/17 DKK</u>
Other external expenses		<u>(22.500)</u>	<u>(102.330)</u>
Operating profit/loss		(22.500)	(102.330)
Other financial expenses	1	<u>(425.523)</u>	<u>(713.003)</u>
Profit/loss before tax		(448.023)	(815.333)
Tax on profit/loss for the year	2	<u>98.565</u>	<u>179.373</u>
Profit/loss for the year		(349.458)	(635.960)
Proposed distribution of profit/loss			
Retained earnings		<u>(349.458)</u>	<u>(635.960)</u>
		(349.458)	(635.960)

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2016/17 DKK</u>
Investments in group enterprises		<u>2.528.339</u>	<u>2.139.709</u>
Fixed asset investments	3	<u>2.528.339</u>	<u>2.139.709</u>
Fixed assets		<u>2.528.339</u>	<u>2.139.709</u>
Other receivables	4	179.236	568.403
Joint taxation contribution receivable		<u>98.565</u>	<u>179.373</u>
Receivables		<u>277.801</u>	<u>747.776</u>
Cash		<u>27.356</u>	<u>270.759</u>
Current assets		<u>305.157</u>	<u>1.018.535</u>
Assets		<u>2.833.496</u>	<u>3.158.244</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2016/17 DKK</u>
Contributed capital	5	50.020	50.020
Retained earnings		<u>1.449.956</u>	<u>1.799.414</u>
Equity		<u>1.499.976</u>	<u>1.849.434</u>
Trade payables		22.692	29.953
Payables to group enterprises		<u>1.310.828</u>	<u>1.278.857</u>
Current liabilities other than provisions		<u>1.333.520</u>	<u>1.308.810</u>
Liabilities other than provisions		<u>1.333.520</u>	<u>1.308.810</u>
Equity and liabilities		<u>2.833.496</u>	<u>3.158.244</u>
Contingent liabilities	6		
Assets charged and collateral	7		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	50.020	1.799.414	1.849.434
Profit/loss for the year	0	(349.458)	(349.458)
Equity end of year	50.020	1.449.956	1.499.976

Notes

	2018	2016/17
	DKK	DKK
1. Other financial expenses		
Financial expenses from group enterprises	31.971	31.192
Other financial expenses	393.552	681.811
	425.523	713.003
	2018	2016/17
	DKK	DKK
2. Tax on profit/loss for the year		
Refund in joint taxation arrangement	(98.565)	(179.373)
	(98.565)	(179.373)
		Invest- ments in group enterprises DKK
3. Fixed asset investments		
Cost beginning of year		2.139.709
Additions		388.630
Cost end of year		2.528.339
Carrying amount end of year		2.528.339

The additions above are prepayments related to acquisition of a subsidiary in 2019/20.

4. Other receivables

The Entity has entered into an interest rate cap transaction with a cap rate of 3% effective as of 29.12.2017. As of 29.12.2023 the notional amount is 108,311,501 and the fair value as of 31.12.2018 is 179,236 DKK in favour of the Entity. The termination date is 29.12.2023.

	Number	Par value	Nominal
		DKK	value
			DKK
5. Contributed capital			
A-share	45.018	1	45.018
B-share	5.002	1	5.002
	50.020		50.020

Notes

6. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement in which KEEP II GKL 1 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.

7. Assets charged and collateral

Collateral security provided for subsidiaries and other group enterprises

The Entity has guaranteed the group enterprise Block GKL 4 ApS' debt to Danske Bank, outstanding bank loans amount to DKK 197 mio. as of 31.12.2018.

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.

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.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Derivative financial instruments are recognised under other receivables or other payables.

For derivative financial instruments that do not comply with the requirements for being treated as hedging instruments, changes in fair value are recognised currently in the income statement as financial income or financial expenses.

Accounting policies

Income statement

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.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital 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.

Balance sheet

Investments in group enterprises

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

Receivables

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

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for 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.

Cash

Cash comprises cash in hand and bank deposits.

Other financial liabilities

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