

# Neptune Ejendomme ApS

Fridtjof Nansens Plads 5, 2100 København Ø

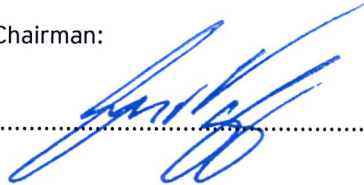
CVR no. 39 05 82 86

## Annual report 2017/18

(As of the establishment of the Company 31 October 2017 - 31 December 2018)

Approved at the Company's annual general meeting on 7 May 2019

Chairman:



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## Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of Neptune Ejendomme ApS for the financial year as of the establishment of the Company 31 October 2017 - 31 December 2018.

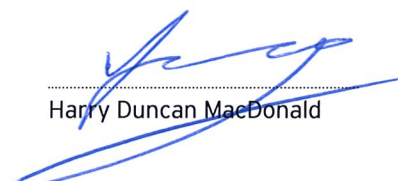
The annual report is prepared in accordance with the Danish Financial Statements Act.

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 and of the consolidated cash flows for the financial year as of the establishment of the Company 31 October 2017 - 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.

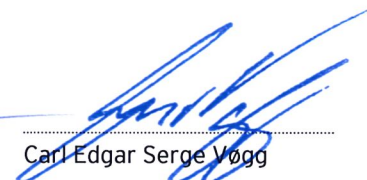
Copenhagen, 7 May 2019  
Executive Board:



Harry Duncan MacDonald



Katia Ciesielska



Carl Edgar Serge Vøgg

## Independent auditor's report

To the shareholders of Neptune Ejendomme ApS

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Neptune Ejendomme ApS for the financial year as of the establishment of the Company 31 October 2017 - 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, and a consolidated cash flow statement. 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 as well as the consolidated cash flows for the financial year as of the establishment of the company 31 October 2017 - 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.

### 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.

### Independent auditor's report

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.

Odense, 7 May 2019

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

A handwritten signature in blue ink, appearing to read 'Morten Schougaard Sørensen'.

Morten Schougaard Sørensen  
State Authorised Public Accountant  
mne32129



## Management's review

### Company details

Name	Neptune Ejendomme ApS
Address, Postal code, City	Fridtjof Nansens Plads 5, 2100 København Ø
CVR no.	39 05 82 86
Established	31 October 2017
Registered office	København
Financial year	31 October 2017 - 31 December 2018
Executive Board	Harry Duncan MacDonald Katia Ciesielska Carl Edgar Serge Vøgg
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Englandsgade 25, P.O. Box 200, 5100 Odense C, Denmark

## Management's review

### Financial highlights for the Group

DKK'000	2017/18 14 months
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#### Key figures

Gross margin	109,688
Ordinary operating profit/loss	59,823
Net financials	-55,678
Profit before tax	4,145
<b>Profit/loss for the year</b>	<b>2,835</b>

Total assets	2,480,080
<b>Equity</b>	<b>230,732</b>
Provisions	100,996
Interest-bearing debt	0

Investment in property, plant and equipment	-425,128
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#### Financial ratios

Equity ratio	9.3%
Return on equity	1.3%

<b>Average number of employees</b>	<b>9</b>
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The financial ratios stated in the survey of financial highlights have been calculated as follows:

Equity ratio 
$$\frac{\text{Equity excl. non-controlling interests, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$$

Return on equity 
$$\frac{\text{Profit/loss for the year excl. non-controlling interests} \times 100}{\text{Average equity excl. non-controlling interests}}$$



## Management's review

### Business review

The group's and the company's principal activities is to own and hold shares in companies, buying, selling and renting real estate and any other related business.

The company was established on 31 October 2017 by a contribution of shares in subsidiaries at a total value of DKK 479.4 million.

### Financial review

The income statement for 2017/18 shows a profit of DKK 2,835 thousand, and the balance sheet at 31 December 2018 shows equity of DKK 230,732 thousand.

During the year, the Group made investments in land and buildings of approximately DKK 422 million.

Profit for the year is negatively influenced by historical financing costs released into the income statement in this connection by approximately DKK 25 million.

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.

### Outlook

The Group's revenue and profit for 2019 is expected to increase compared to 2018.

**Consolidated financial statements and parent company financial statements for the period  
31 October 2017 - 31 December 2018**

**Income statement**

		<u>Group</u>	<u>Parent company</u>
Note		2017/18 14 months	2017/18 14 months
	DKK'000		
	<b>Gross margin</b>	109,688	-138
2	Staff costs	-6,875	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-42,990	0
	<b>Profit/loss before net financials</b>	59,823	-138
	Income from investments in group enterprises	0	84,966
	Other financial income from group enterprises	822	2,765
	Financial income	281	0
	Financial expenses, group enterprises	-7,107	-807
	Other financial expenses	-49,674	-79
	<b>Profit before tax</b>	4,145	86,707
3	Tax for the year	-1,310	-383
	<b>Profit for the year</b>	<u>2,835</u>	<u>86,324</u>
Specification of the Group's results of operations:			
	Shareholders in Neptune Ejendomme ApS	2,898	
	Non-controlling interests	-63	
		<u>2,835</u>	
Recommended appropriation of profit			
	Retained earnings		<u>86,324</u>
			<u>86,324</u>

**Consolidated financial statements and parent company financial statements for the period  
31 October 2017 - 31 December 2018**

**Balance sheet**

Note	DKK'000	<u>Group</u>	<u>Parent company</u>
		2017/18	2017/18
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
4	<b>Property, plant and equipment</b>		
	Land and buildings	2,359,456	0
	Fixtures and fittings, other plant and equipment	108	0
		<u>2,359,564</u>	<u>0</u>
5	<b>Investments</b>		
	Investments in group enterprises	0	558,475
	Other receivables	21,778	0
		<u>21,778</u>	<u>558,475</u>
	<b>Total fixed assets</b>	<u>2,381,342</u>	<u>558,475</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Receivables from group enterprises	748	4,934
	Corporation tax receivable	2,142	2,142
	Joint taxation contribution receivable	0	3,475
	Other receivables	11,044	0
6	<b>Prepayments</b>	12,559	0
		<u>26,493</u>	<u>10,551</u>
	<b>Cash</b>	72,245	2,770
	<b>Total non-fixed assets</b>	<u>98,738</u>	<u>13,321</u>
	<b>TOTAL ASSETS</b>	<u><u>2,480,080</u></u>	<u><u>571,796</u></u>

**Consolidated financial statements and parent company financial statements for the period  
31 October 2017 - 31 December 2018**

**Balance sheet**

Note	DKK'000	Group 2017/18	Parent company 2017/18
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
7	Share capital	50	50
	Retained earnings	230,756	565,699
	<b>Shareholder in Neptune Ejendomme ApS' share of equity</b>	<b>230,806</b>	<b>565,749</b>
	Non-controlling interests	-74	0
	<b>Total equity</b>	<b>230,732</b>	<b>565,749</b>
	<b>Provisions</b>		
8	Deferred tax	69,267	0
10	Other provisions	31,729	0
	<b>Total provisions</b>	<b>100,996</b>	<b>0</b>
	<b>Liabilities other than provisions</b>		
9	<b>Non-current liabilities other than provisions</b>		
	Mortgage debt	1,718,324	0
	Deposits	64,760	0
		<b>1,783,084</b>	<b>0</b>
	<b>Current liabilities other than provisions</b>		
9	Short-term part of long-term liabilities other than provisions	87,214	0
	Bank debt	31,372	0
	Trade payables	5,760	0
	Payables to group enterprises	224,371	6,000
	Other payables	16,551	47
		<b>365,268</b>	<b>6,047</b>
	<b>Total liabilities other than provisions</b>	<b>2,148,352</b>	<b>6,047</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,480,080</b>	<b>571,796</b>

- 1 Accounting policies
- 11 Contractual obligations and contingencies, etc.
- 12 Collateral
- 13 Related parties



**Consolidated financial statements and parent company financial statements for the period  
31 October 2017 - 31 December 2018**

**Statement of changes in equity**

DKK'000	Group				Total equity
	Share capital	Retained earnings	Total	Non-controlling interests	
Contribution in connection with formation of the enterprise	50	227,858	227,908	-11	227,897
Transfer through appropriation of profit	0	2,898	2,898	-63	2,835
<b>Equity at 31 December 2018</b>	<b>50</b>	<b>230,756</b>	<b>230,806</b>	<b>-74</b>	<b>230,732</b>

DKK'000	Parent company		
	Share capital	Retained earnings	Total
Contribution in connection with formation of the enterprise	50	479,375	479,425
Transfer through appropriation of profit	0	86,324	86,324
<b>Equity at 31 December 2018</b>	<b>50</b>	<b>565,699</b>	<b>565,749</b>

**Consolidated financial statements and parent company financial statements for the period  
31 October 2017 - 31 December 2018**

**Cash flow statement**

Note	DKK'000	Group	Parent company
		2017/18 14 months	2017/18 14 months
	Profit for the year	2,835	86,324
14	Adjustments	47,203	383
	Cash generated from operations (operating activities)	50,038	86,707
15	Changes in working capital	6,036	-4,887
	Cash generated from operations (operating activities)	56,074	81,820
	Income taxes paid	-9,429	-6,000
	<b>Cash flows from operating activities</b>	<b>46,645</b>	<b>75,820</b>
	Additions of property, plant and equipment	-425,128	0
	Disposals of property, plant and equipment	9,144	0
	Acquisition of companies	0	-79,050
	<b>Cash flows to investing activities</b>	<b>-415,984</b>	<b>-79,050</b>
	Proceeds of long-term liabilities	779,919	0
	Increase group internal loans	158,502	6,000
	Repayments, long-term liabilities	-591,862	0
	Other cash flows from financing activities	82	0
	<b>Cash flows from financing activities</b>	<b>346,641</b>	<b>6,000</b>
	<b>Net cash flow</b>	<b>-22,698</b>	<b>2,770</b>
	Cash intra-group business combinations	94,943	0
16	<b>Cash and cash equivalents at 31 December 2018</b>	<b>72,245</b>	<b>2,770</b>

## Consolidated financial statements and parent company financial statements for the period 31 October 2017 - 31 December 2018

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Neptune Ejendomme ApS for 2017/18 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class C entities.

#### Consolidated financial statements

##### *Control*

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

##### *Preparation of consolidated financial statements*

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, 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-group 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 if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

#### Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is thus recognised.

#### External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.



## Consolidated financial statements and parent company financial statements for the period 31 October 2017 - 31 December 2018

### Notes to the financial statements

#### 1 Accounting policies (continued)

Positive differences (goodwill) between, on the one hand, the consideration for the acquiree, the value of non-controlling interests in the acquired entity and the fair value of any previously acquired equity investments and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired are recognised as goodwill under "Intangible assets". Goodwill is amortised on a straight-line basis in the income statement based on an individual assessment of the economic life of the asset.

Negative differences (negative goodwill) are recognised in the income statement at the date of acquisition.

Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for impairment testing. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with a functional currency different from the presentation currency used in the consolidated financial statements are accounted for as assets and liabilities belonging to the foreign entity and are, on initial recognition, translated into the foreign entity's functional currency using the exchange rate at the transaction date.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

#### Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

#### 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.



## Consolidated financial statements and parent company financial statements for the period 31 October 2017 - 31 December 2018

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Income statement

###### Revenue

Revenue comprises rental income from the leases of properties. Revenue is recognised on an accrued basis.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

###### Gross margin

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Property expenses', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

###### Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

###### Property expenses

Includes costs associated with the operation and administration of investment properties, repairment and maintenance, property taxes and other expenses which are not paid by tenants.

###### Other external expenses

Other operating expenses comprise items of a secondary nature to the main activities of the Company, including losses on the sale of intangible assets and property, plant and equipment.

###### Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

###### Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	50 years
Fixtures and fittings, other plant and equipment	3-5 years

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

## Consolidated financial statements and parent company financial statements for the period 31 October 2017 - 31 December 2018

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Profit from investments in subsidiaries

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 income and expenses are recognised in the income statements at the amounts that concern the financial year.

##### 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

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

## Consolidated financial statements and parent company financial statements for the period 31 October 2017 - 31 December 2018

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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.

##### Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

##### Prepayments

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

##### Cash

Cash comprise cash.

##### Provisions

Other provisions comprise maintenance liabilities in accordance with section 22 of the Danish Rent Act and section 18b of the Consolidated act on Temporary Regulation of Housing Conditions. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.



## Consolidated financial statements and parent company financial statements for the period 31 October 2017 - 31 December 2018

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### 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. On subsequent recognition, 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. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

##### Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash comprise cash.



**Consolidated financial statements and parent company financial statements for the period  
31 October 2017 - 31 December 2018**

**Notes to the financial statements**

	Group	Parent company
	2017/18 14 months	2017/18 14 months
DKK'000		
<b>2 Staff costs</b>		
Wages/salaries	6,045	0
Pensions	546	0
Other social security costs	42	0
Other staff costs	242	0
	<u>6,875</u>	<u>0</u>
	Group	Parent company
	2017/18	2017/18
Average number of full-time employees	<u>9</u>	<u>0</u>

**Group**

The Group did not pay any remuneration to Management during the financial year.

	Group	Parent company
	2017/18 14 months	2017/18 14 months
DKK'000		
<b>3 Tax for the year</b>		
Estimated tax charge for the year	1,039	383
Deferred tax adjustments in the year	1,370	0
Tax adjustments, prior years	-483	0
Refund in joint taxation	-616	0
	<u>1,310</u>	<u>383</u>

**4 Property, plant and equipment**

	Group		
	Land and buildings	Fixtures and fittings, other plant and equipment	Total
DKK'000			
Additions in connection with formation of the enterprise	2,186,975	0	2,186,975
Additions	421,705	150	421,855
Disposals	-4,445	0	-4,445
Cost at 31 December 2018	<u>2,604,235</u>	<u>150</u>	<u>2,604,385</u>
Accumulated impairment losses and depreciation of additions in connection with formation of the enterprise	208,480	0	208,480
Depreciation	36,825	42	36,867
Reversal of accumulated depreciation and impairment of assets disposed	-526	0	-526
Impairment losses and depreciation at 31 December 2018	<u>244,779</u>	<u>42</u>	<u>244,821</u>
Carrying amount at 31 December 2018	<u>2,359,456</u>	<u>108</u>	<u>2,359,564</u>

Note 12 provides more details on security for loans, etc. as regards property, plant and equipment.

**Consolidated financial statements and parent company financial statements for the period  
31 October 2017 - 31 December 2018**

**Notes to the financial statements**

**5 Investments**

	<u>Group</u>
	<u>Other receivables</u>
DKK'000	
Cost at 31 October 2017	0
Additions in connection with formation of the enterprise	19,676
Additions	2,102
Cost at 31 December 2018	<u>21,778</u>
<b>Carrying amount at 31 December 2018</b>	<u><u>21,778</u></u>

Other receivables consists of deposits at GI.

	<u>Parent company</u>
	<u>Investments in group enterprises</u>
DKK'000	
Cost at 31 October 2017	0
Additions in connection with formation of the enterprise	479,425
Additions	79,050
Cost at 31 December 2018	<u>558,475</u>
<b>Carrying amount at 31 December 2018</b>	<u><u>558,475</u></u>

## Consolidated financial statements and parent company financial statements for the period 31 October 2017 - 31 December 2018

### Notes to the financial statements

#### 5 Investments (continued)

##### Parent company

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
<b>Subsidiaries</b>					
Alpha 1	ApS	København	100.00%	15,982	1,209
Alpha 2	ApS	København	100.00%	18,039	-320
Alpha 3	ApS	København	100.00%	11,008	3,122
Alpha Properties Holding	ApS	København	100.00%	178,368	8,698
Amagerbro	ApS	København	100.00%	-7,037	-168
Amagerbro Holding	ApS	København	100.00%	-100	-10
Beha Properties	ApS	København	100.00%	77,563	4,989
CPH GR	ApS	København	100.00%	238,777	129,309
Ejendomsselskabet Gordings Gård	ApS	København	100.00%	9,028	454
Frederikssundsvej 264 Holding	ApS	København	100.00%	-557	833
Frederikssundsvej Holding	ApS	København	100.00%	-194	-9
Freja Holdings	ApS	København	100.00%	83,363	4,313
Gammel Kongevej Holding	ApS	København	100.00%	-344	-18
Gammel Kongevej I	ApS	København	100.00%	-2,670	-408
Gordings Gård Holding	ApS	København	100.00%	9,069	397
GR BRF	ApS	København	100.00%	22,129	-2,800
GR BRF Birkedommervej	ApS	København	100.00%	2,661	-321
GR BRF Næstvedgade	ApS	København	100.00%	441	-406
GR BRF Thorupsgaards Allé	ApS	København	100.00%	2,730	-1,253
GR BRF Tomsgårdsvej	ApS	København	100.00%	600	-3,113
GR BRF Østerbrogade 41	ApS	København	100.00%	40,819	-1,759
GR HB	ApS	København	100.00%	12,978	-1,498
GR HB Tingskrivervej	ApS	København	100.00%	31,822	242
GR HB Triangeln	ApS	København	100.00%	18,283	-643
GR RD I	ApS	København	100.00%	21,676	-4,245
GR RD II	ApS	København	100.00%	10,648	-3
Kiwi BBA	ApS	København	100.00%	17,421	313
Kiwi DR	ApS	København	100.00%	15,370	-249
Kiwi FRB	ApS	København	100.00%	50,794	1,139
Komplementarselskabet CPH GR	ApS	København	100.00%	-2	-9
Neptune Commonholds	ApS	København	100.00%	10,780	474
Neptune GR Holding	ApS	København	100.00%	202,721	93,447
Neptune Kiwi Holding	ApS	København	100.00%	99,363	6,705
Nordisk Ejendomsholding	ApS	København	100.00%	83,780	-8,936
Nordre Fasanvej	ApS	København	100.00%	-4,442	-908
Nordre Fasanvej Holding	ApS	København	100.00%	-166	-14
Nørrebro III	ApS	København	100.00%	-5,344	-342
Nørrebro III Holding	ApS	København	100.00%	-119	-11
Nørrebro VI	ApS	København	100.00%	1,548	-295
Nørrebro VI Holding	ApS	København	100.00%	1,441	-305
Nørrebrogade 54A	ApS	København	100.00%	-1,871	-743
Pears Global Real Estate Denmark	ApS	København	100.00%	2,912	2,847
Peter Fabers Gade	ApS	København	100.00%	-3,052	-1,143
Strandlodden	ApS	København	100.00%	-4,429	-640
Strandlodden Holding	ApS	København	100.00%	-196	-14
Sølvgården	ApS	København	100.00%	-6,733	74
Thea Holdings	ApS	København	75.00%	-67	-84
Thea Properties	ApS	København	75.00%	1,837	-153
Vesterbro Holding	ApS	København	100.00%	-191	-14
Vesterbro I	ApS	København	100.00%	-2,850	-241
Østerbro	ApS	København	100.00%	-3,014	10

#### 6 Prepayments

##### Group

Prepayments include accrual of expenses relating to subsequent financial years, including lease compensation and insurance.

## Consolidated financial statements and parent company financial statements for the period 31 October 2017 - 31 December 2018

### Notes to the financial statements

#### 7 Share capital

The parent's share capital has remained DKK 50 thousand since the establishment.

#### 8 Deferred tax

Provision for deferred tax relates to differences between the carrying amount and the tax value of buildings and long-term liabilities.

The Group has a tax asset not capitalized of DKK 12,437 thousand relating to differences between book value and tax value of land and buildings in subsidiaries where the tax value exceeds book value.

#### 9 Non-current liabilities other than provisions

Mortgage debt: DKK 1,640,531 thousand falls due for payment after more than 5 years after the balance sheet date.

Deposits: It is estimated that DKK 0 thousand falls due for payment after more than 5 years after the balance sheet date.

#### 10 Other provisions

Maintenance liabilities BRL § 18b, DKK 19,941 thousand.

Maintenance liabilities BRL § 22, DKK 11,788 thousand.

Maintenance liabilities related to BRL § 18b are expected to fall due within 2-5 years.

Maintenance liabilities related to BRL § 22 are expected to fall due after 5 years.

#### 11 Contractual obligations and contingencies, etc.

##### Parent company

The company is jointly and severally liable together with the other Danish companies in the Group for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax.

Tax payable on the Group's joint taxable income amounts to DKK 9,0 million at the balance sheet date.

##### Group

The group companies are jointly and severally liable together with the other Danish companies in the larger Group for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax.

Tax payable on the Group's joint taxable income amounts to DKK 9,0 million at the balance sheet date.



## Consolidated financial statements and parent company financial statements for the period 31 October 2017 - 31 December 2018

### Notes to the financial statements

#### 12 Collateral

##### Group

As security for the group's debt to mortgage credit institutions and other credit institutions, the group has provided security or other collateral in land and buildings with a total value of DKK 2,359,564.

Debt to mortgage credit institutions totals DKK 1,805,538.

##### Parent company

The parent Company has not placed any assets or other as security for loans at 31/12 2018.

#### 13 Related parties

##### Group

Neptune Ejendomme ApS' related parties comprise the following:

##### Parties exercising control

Related party	Domicile	Basis for control
Neptune Properties S.à r.l.	Luxembourg	Shareholder

##### Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

	Group	Parent company
DKK'000	2017/18 14 months	2017/18 14 months
<b>14 Adjustments</b>		
Amortisation/depreciation and impairment losses	42,990	0
Tax for the year	1,309	383
Other adjustments	2,904	0
	47,203	383
<b>15 Changes in working capital</b>		
Change in receivables	15,830	-4,934
Change in trade and other payables	-9,794	47
	6,036	-4,887
<b>16 Cash and cash equivalents at year-end</b>		
Cash according to the balance sheet	72,245	2,770
	72,245	2,770