

GG St. Kongensgade 100 og 106 P/S



Gefion

GROUP

COMPANY DESCRIPTION

In relation to the admission to trading of the company's floating rate secured loan bond 2019/2020

August 2019

Nasdaq First North Bond Disclaimer

"Nasdaq First North Bond is an MTF, as defined in EU legislation (as implemented in national law), operated by an exchange within the Nasdaq group. Issuers on Nasdaq First North Bond are not subject to all the same rules as issuers on a regulated main market, as defined in EU legislation (as implemented in national law). Instead they are subject to a less extensive set of rules and regulations. The risk in investing in an issuer on Nasdaq First North Bond may therefore be higher than investing in an issuer on the main market. The Exchange approves the application for admission to trading."

CERTIFIED ADVISOR

Pareto
Securities

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IMPORTANT INFORMATION

LISTING AND GENERAL INFORMATION

LISTING INFORMATION

There is currently no public market for the Bonds. The terms of the Bonds includes an undertaking requiring the Issuer to procure that the Bonds are listed on the official list of Nasdaq Copenhagen A/S and to be admitted to trading on Nasdaq Copenhagen A/S's regulated market or First North Bond Market Copenhagen within 12 months from the Issue Date.

REASONS FOR APPLICATION FOR ADMISSION TO FIRST NORTH

The Company wishes to provide a market for its Bondholders to trade their Bonds and also to attract investment in the Bonds from investors only able to invest in bonds that are admitted to trading on a public market. The entire bond issue has been fully subscribed and sold.

CERTIFIED ADVISOR:

Pareto Securities AS, Copenhagen Branch
Sankt Annæ Plads 13
DK-1250 Copenhagen K

Pareto Securities A/S has been appointed as Certified Advisor.

NEWS PROVIDER

The Issuer has engaged West Corporation to disseminate regulatory announcements to the market.

LIQUIDITY PROVIDER

The Issuer will consider the appointment of a liquidity provider in due course but one has not been appointed at the date of Admission

INDEPENDENT AUDITORS

The auditor of the Issuer is Deloitte Statsautoriseret Revisionspartnerselskab, registration number 33963556, authorized by the Danish Business Authority and regulated by the Danish Act on State Authorized Public Accountants and otherwise by the law of Denmark, who conducts audits in accordance with accounting standards, as defined in the Bond Terms.

TAX CONSIDERATIONS

Potential investors are strongly recommended to contact their own tax adviser to clarify the individual consequences of their investment, holding and disposal of the Bonds. The Issuer makes no representations regarding the tax consequences of purchase, holding or disposal of the Bonds.

IMPORTANT DATES

Semi-annual financial results to 30.06.2019:	30.08.2019
Annual report, year to 31.12.2019:	31.05.2020
Annual General Meeting:	31.05.2020

AVAILABLE INFORMATION

The latest version of the Bond Terms will be available in electronic form on the Issuer's website (<http://www.gefiongroup.com>) throughout the period when the Bonds are outstanding. Moreover, the most recent version of the Bond Terms and the Transaction Security Documents will be available for inspection at the office of the Bond Trustee at Bredgade 30, 1260 Copenhagen K, Denmark, on weekdays during normal office hours throughout the period when the Bonds are outstanding.

CLEARING AND SETTLEMENT INFORMATION

The Bonds will be issued in uncertificated book entry form cleared through VP SECURITIES A/S (“**VP**”). The International Securities Identification Number (ISIN) for the Bonds is DK0030444401. The address of VP is Weidekampsgade 14, 2300 Copenhagen S. The method of, and deadline for, payment and delivery of the Bonds may be agreed between the Issuer and the investors in the Bonds. Legal title to the Bonds will exclusively be evidenced by book entries in the register of VP. The Bonds will not be exchangeable for physical bonds. Registration and settlement of transactions in respect of the Bonds will take place in accordance with the rules and procedures for the time being of VP.

A bridge currently exists between each of VP, Clearstream Banking, société anonyme (“**Clearstream**”) and Euroclear Bank, SA / NV (“**Euroclear**”, and together with Clearstream and VP and referred to as the “**Securities Depositories**” and each referred to as a “**Securities Depository**”). Holders of accounts with Clearstream and/or Euroclear will be able to purchase Bonds without holding an account with VP. Holders of accounts with any Securities Depository will be able to transfer Bonds to account holders with any other Securities Depository in accordance with the rules and procedures for the time being of the relevant Securities Depository.

ISIN

DK0030444401

PRESENTATION OF FINANCIAL INFORMATION

Industry data and statistics estimates or forecasts contained in this Company Description have been derived from internal sources or from industry sources, including independent industry publications and other publicly available information. The Issuer has endeavored to reproduce such information accurately in the Company Description. Such data, as well as internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified. In addition, in certain cases the Issuer has made statements in this Company Description regarding its industry and its position in the industry based on its experience and its own investigation of market conditions.

Market data and statistics are inherently predictive and speculative and are not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. In addition, the value of comparisons of statistics for different markets is limited by many factors, including that (i) the markets are defined differently, (ii) the underlying information was gathered by different methods and (iii) different assumptions were applied in compiling the data. Accordingly, although as far as the Issuer is aware and able to ascertain, no facts have been omitted that would render the reproduced information inaccurate or misleading, the market statistics included in this Company Description should be viewed with caution and no representation or warranty is given by any person as to their accuracy.

Unless a specific source is identified, all information regarding market and other operating and statistical data provided in this Company Description is based on the Issuer's own estimates. In making estimates, the Issuer relies on data produced internally, and, where appropriate, external sources, including information made public by other market participants or associations.

Except as noted, the financial information in this Company Description has not been audited by the Issuer's auditor.

Certain financial and other numerical information set forth in this Company Description has been subject to rounding and, as a result, the numerical figures shown as totals in this Company Description may vary slightly from the exact arithmetic aggregation of the figures that precede them.

ISSUER

The Issuer

GG St. Kongensgade 100 og 106 P/S, incorporated under the laws of Denmark with business registration number 38 30 68 47, having its registered office at c/o Gefion Group A/S, Østergade 1, 2nd floor, 1100 Copenhagen K, Denmark. The purpose of the Issuer is purchase, sale and investments in real estate or real estate companies and related activities.

The Issuer accepts responsibility for the information contained in this Company Description.

Resolutions, Authorisations and Approvals by Virtue of which the Bonds have been Issued

The issuance of the Bonds and consummation of the transactions was approved by the Management Board of the Issuer on 9th May 2019. No other consents, approvals or authorisations are required for the issuance of the Bonds.

Material Adverse Change in the Issuer's Financial Position

Except as disclosed elsewhere in this Company Description, there has been no material adverse change in our consolidated financial position since the date of incorporation of the Issuer.

Information from third parties

Where information in this Company Description has been sourced from third parties this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Litigation

Except as disclosed elsewhere in this Company Description, the Issuer has not been involved during the twelve months preceding the date of this Company Description, in any litigation, arbitration, governmental or administrative proceedings which would, individually or in the aggregate, have a material adverse effect on our results of operations, condition (financial or other) or general affairs and, so far as each is aware, having made all reasonable inquiries, there are no such litigation, arbitration or administrative proceedings pending or threatened.

Thomas W. Færch, the CEO and sole member of the Management Board of Directors of the Issuer has not during the five years preceding the date of this Company Description been involved in any bankruptcies, liquidations or similar and any fraud related convictions or on-going procedures.

INVESTMENT SUMMARY

The following overview contains basic information about the offering of the Bonds. It is not intended to be complete and it is subject to important limitations and exceptions. For a more complete

understanding of the Bonds, including certain definitions of terms used in this summary, see “*Bond Terms*”

Issuer:	GG St. Kongensgade 100 og 106 P/S, incorporated under the laws of Denmark with business registration number 38306847.
Ultimate Parent:	Gefion Group A/S, incorporated under the laws of Denmark with business registration number 37042560, being the direct 100% owner of the Issuer.
Parent Company:	GG Development 3 ApS, incorporated under the laws of Denmark with business registration number 37043079.
Group:	The Issuer with all its subsidiaries from time to time (each a “ Group Company ”).
Manager	Pareto Securities, Danmark, Filial af Pareto Securities AS, Norge, Sankt Annæ Plads 13, DK 1250 Copenhagen, Denmark.
Bond Trustee and Security Agent:	Nordic Trustee A/S with business registration number 34705720.
Currencies:	Euro (EUR).
Issue Amount:	EUR 32,000,000.
Maturity Date:	18 months after the Issue Date.
Amortisation:	The Bonds shall be repaid in one payment at the Maturity Date.
Interest Rate:	The percentage rate per annum which is the aggregate of the Reference Rate plus the Margin.
Margin:	7.00 per cent.
Reference Rate:	3 months EURIBOR. EURIBOR floor of 0.0 per cent. will apply.
Interest Payment Date:	Interest will start to accrue on the Issue Date and will be payable quarterly.
Interest Periods:	Subject to adjustment in accordance with the Business Day Convention, a period of three (3) months, with the first Interest Period starting on the Issue Date, provided however that an Interest Period shall not extend beyond the Maturity Date.
Default interest:	Interest Rate plus 5% p.a.
Price:	100% of the Initial Nominal Amount.
Initial Nominal Amount:	Each Bond will have an Initial Nominal Amount of EUR 0.01.

Minimum Settlement Unit:	Minimum settlement unit is EUR 100,000.
Use of proceeds:	<p>The Issuer will use the net proceeds from the Bond Issue, in accordance with the Issuer's Green Bond Framework, for:</p> <ul style="list-style-type: none"> (i) Refinancing of the Structural Intra-Group Loan; (ii) Deposit of the equivalent DKK amount of EUR 15,000,000 on a Construction Account pledged in favour of the Bond Trustee and/or a Construction Security Account pledged with first priority in favour of the contractor of the Project and pledged with second priority in favour of the Bond Trustee, sufficient to cover all construction costs to complete the Project; (iii) General corporate purposes of the Issuer; and (iv) Payment of certain transaction costs, fees and expenses including registration fees paid by the Ultimate Parent on the Issuer's behalf. <p>The Issuer may use the net proceeds from the Bond Issue for refinancing of the Structural Intra-Group Loan once the conditions in Schedule 1, Part 2 (Conditions Precedent to release of funds to refinancing of the Structural Intra-Group Loan) has been properly fulfilled. The remaining net proceeds may be used in accordance with above, when the securities set out in Schedule 1, Part 3 (Conditions Subsequent to release of funds) has been properly perfected (and not subject to a hardening period).</p>
Structural Intra-Group Loan:	An intra-group loan from the Parent Company to the Issuer of DKK 100,000,000 granted 31 July 2017 for the purpose of refinancing the Issuer's existing debt at that time.
Status of the Bonds:	The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank at least <i>pari passu</i> with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).
Listing:	<p>The Issuer shall ensure that (i) the Initial Bonds are listed on an Exchange within 12 months of the Issue Date; and (ii) the Bonds, if admitted to trading on an Exchange, continue being listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Exchange (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds). The Issuer is bound to follow the rules and regulations of the relevant exchange, also in the case that this would limit the trading of bonds in close connection to the redemption of the bonds. If no such rules exists on the relevant exchange, this is not relevant.</p> <p>The Issuer acknowledges that the Bonds are listed on the Open Market of the Frankfurt Stock Exchange as soon as reasonably possible after the Issue Date and remain listed on such exchange until the Bonds have been redeemed in full.</p> <p>The Frankfurt Open Market listing is done to meet requirements from German investors. The Open Market is however not widely accepted as a substitute for the Nasdaq First North listing and this is why the Issuer also seek to list the bonds on Nasdaq First North Bond Market.</p>

Transaction Security:	<p>As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following security interests are granted in favour of the Bondholders represented by the Security Agent:</p> <ul style="list-style-type: none"> (a) a first priority pledge of an owner's mortgage in the amount of the equivalent DKK amount of EUR 32,000,000 registered with first priority on the Properties; (b) documentation that a negative pledge has been registered in the Danish Land Registry in respect of the Properties; (c) a first priority pledge over the Construction Account and all funds held to the credit on the Construction Account from time to time; (d) a second priority pledge over the Construction Security Account and all funds held to the credit on the Construction Security Account from time to time; (e) a first priority assignment in the construction contract with Harder Gruppen including the underlying constructor guarantee; (f) a first priority assignment of the Issuers rights of payment under the lease agreements with Lidl relating to the lease of the Properties or any part thereof in existence on the Issue Date (the assignment agreement will reflect that all payments under the lease agreements can only be made with releasing effect to the Construction Account); (g) a first priority pledge over the shares in the Issuer; (h) a first priority pledge over the shares in the Komplementarselskabet GG St. Kongensgade 100 og 106 ApS; (i) a first priority pledge over the Escrow Account and all funds held to the credit on the Escrow Account from time to time; (j) a first priority assignment and subordination agreement relating to STK 100 og 106 Holding ApS' rights under the DKK 12,138,533 loan agreement entered into between the Issuer and STK 100 og 106 Holding ApS; and (k) a first priority assignment and subordination agreement relating to the Ultimate Parent rights under the DKK 1,994,306 loan agreement entered into between the Issuer and the Ultimate Parent Group A/S. <p>The Bond Trustee shall be authorised by the Bondholders and under an obligation towards the Issuer to agree to the release of any security interest established in favour of the Bondholders over an asset or any part thereof which is sold, transferred or otherwise disposed of in connection with a Permitted Disposal.</p>
Construction Account, Construction Security	<p>The Issuer shall place its excess cash on (i) a blocked bank account pledged in favour of the Bond Trustee (the “Construction Account”) held with Handelsbanken (Denmark) from which account funds may only be released with the consent of the Project Monitor and the Bond Trustee; or (ii) a blocked account pledged in favour of the contractor of the Project</p>

Account and operating account	<p>(the “Construction Security Account”) held with Handelsbanken (Denmark) as security for the obligations towards the contractor under the construction contract relating to the Project. The Project Monitor shall only grant its consent for the release of funds from the Construction Account if funds are released for the purpose of the Project.</p> <p>Funds from the Construction Account can, <i>inter alia</i>, be used for:</p> <ul style="list-style-type: none"> (i) construction financing relating to the Project; and (ii) prepayment, repayment or to fund the purchase or redemption of the Bonds or any part thereof. <p>Funds from the Construction Security Account can only be used for payments under the construction contract relating to the Project.</p> <p>In addition to the Construction Account and the Construction Security Account the Issuer shall be permitted to open an operating account, which shall not be pledged and in which the Issuer shall be permitted to hold an amount of up to DKK 1,000,000.</p>
Finance Documents	The Bond Terms, the Bond Trustee Agreement, any Transaction Security Document and any other document designated by the Issuer and the Bond Trustee as a Finance Document.
Escrow Account:	The Issuer shall prior to the issuance of the Bonds establish an escrow account and the proceeds (net of costs and expenses) shall be transferred to the Escrow Account in connection with the issuance of the Bonds. The Escrow Account shall be pledged and blocked. The amount on the Escrow Account shall only be used according to the “Use of proceeds”.
Mandatory early redemption at the Longstop Date:	In the event that the conditions precedent listed in Schedule 1 have not been fulfilled within 3 months from the Issue Date (the “ Longstop Date ”), the Issuer shall immediately redeem the Bonds at a price of 101% of the Nominal Amount plus accrued interest.
Conditions Precedent to issuance of the Bonds:	Issuance of the Bonds shall be conditional upon the events set out in Schedule 1, Part 1 (Conditions Precedent to Issuance of Bonds) to this Term Sheet being fulfilled.
Conditions Precedent to release of funds to refinancing of the Structural Intra-Group Loan:	The release of funds from the Escrow Account to refinancing of the Structural Intra-Group Loan shall be conditional upon the events set out in Schedule 1, Part 2 (Conditions Precedent to release of funds to refinancing of the Structural Intra-Group Loan) to this Term Sheet being fulfilled.
Conditions Subsequent to release of funds:	The release of the remaining funds from the Escrow Account shall be conditional upon the Issuer providing the Bondholders, represented by the Security Agent, with the security interests constituted by the Transaction Security Documents listed in Schedule 1, Part 3 (Conditions Subsequent to release of funds) immediately following Completion.
Representations and Warranties:	Standard representations and warranties pursuant to the Bond Terms.

Voluntary redemption Option: - early Call	<p>The Issuer may redeem all, but not only some, of the outstanding Bonds on any Business Day before the Maturity Date. The outstanding Bonds shall be redeemed at an amount equivalent to:</p> <p>(a) the sum of (i) 101.5 per cent. of the Nominal Amount and, (ii) the remaining interest payments until the First Call Date, if the Call Option is exercised on or after the Issue Date to, but not including, the First Call Date;</p> <p>(b) 101.5 per cent. of the Nominal Amount, if the Call Option is exercised on or after the First Call Date to, but not including, the date falling 15 months after the Issue Date; and</p> <p>(c) 100.0 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling 15 months after the Issue Date to, but not including, the Maturity Date.</p> <p>For the purpose of calculating the remaining interest payments pursuant to (a) above it shall be assumed that the Interest Rate for the period from the relevant record date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the bondholders.</p>
First Call Date:	means 12 months after the Issue Date.
Put Option:	<p>Upon the occurrence of a Change of Control Event, each Bondholder will have a right (the “Put Option”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to 101% of the Nominal Amount during a period of 30 calendar days following the notice of a Change of Control Event. The Put Option repayment date will be the fifth Business Day after the end of the 30 calendar days exercise period (the “Put Option Repayment Date”).</p> <p>If Bonds representing more than 90 per cent of the outstanding Bonds have been repurchased due to the Put Option, the Issuer is entitled to repurchase all the remaining outstanding Bonds at the price stated above by notifying the remaining Bondholders of its intention to do so no later than 20 calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the 15th calendar day following the date of such notice.</p>
Change of Control Event:	The occurrence of an event or series of events whereby a person or group of persons acting in concert (other than current ultimate shareholders of the Ultimate Parent) gaining Decisive Influence over the Issuer or the Parent Company.
Information Undertakings:	Standard information undertakings pursuant to the Bond Terms.
General Undertakings:	As set out in <u>Schedule 2</u> to this Term Sheet.
Financial undertaking:	Minimum cash. The Issuer shall ensure that the Group holds, at all times, cash or cash equivalents of at least DKK 2,000,000.

Event of Defaults:	Standard event of default provisions applicable to the Issuer, with a cross acceleration threshold of EUR 500,000. (or the equivalent thereof in any other currency).
Tax gross up:	<p>If the Issuer is required by law to withhold any tax from any payment in respect of the Bonds under the Finance Documents the amount of the payment due will be grossed-up to such net amount which (after making the required withholding) is equal to the payment which would have been received if no withholding had been required.</p> <p>Any fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.</p>
Early redemption option due to a tax event:	If the Issuer is required by law to withhold tax from any payment in respect of the Bonds under the Finance Documents as a result of a change in applicable law (or in the interpretation thereof) implemented after the date of the Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Bonds at a price equal to 100 per cent. of the Nominal Amount. The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least 20 Business Days prior to the relevant repayment date, provided that no such notice shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obliged to withhold such tax were a payment in respect of the Bonds then due.
Bond Terms:	<p>Standard Nordic bond terms for Danish high yield bonds will regulate the rights and obligations with respect to the Bonds. In the event of any discrepancy between this term sheet and the Bond Terms, the provisions of the Bond Terms shall prevail.</p> <p>By filing an application to subscribe for Bonds, each investor accepts to become a Bondholder (as defined in the Bond Terms) and to be bound by the provisions of the Bond Terms. Further, by filing such application, each investor accepts that certain adjustments to the structure and terms described in this term sheet may occur in the final Bond Terms.</p> <p>The Bond Terms shall include provisions on the Bond Trustee's right to represent the Bondholders, including a "no action" clause, meaning that no individual Bondholder may take any legal action against the Issuer individually (as further described in the Bond Terms). The bond issue will be registered in the Danish FSA's register over representatives in accordance with Danish legislation to act as Bond Trustee (in Danish: repræsentant) for the Bondholders pursuant to Chapter 4 of the Act on Capital Markets. The Bond Terms will further contain provisions regulating the duties of the Bond Trustee, procedures for Bondholders' Meetings and applicable quorum and majority requirements for Bondholders' consent, whereas a sufficient majority of Bondholders may materially amend the provision of the Bond Terms or discharge the Bonds in part or in full without the consent of all Bondholders, as well as other provisions customary for a bond offering as described herein.</p>
Paying Agent:	VP Securities A/S.
Securities Depository:	The Bonds will be registered in VP Securities A/S.

Approvals:	The issuance of the Bonds shall be subject to approval by the management board of the Issuer.
Market Making:	No market-maker agreement has been entered into for the issuance of the Bonds.
Repurchase of Bonds:	The Issuer and any other Group Company may subscribe, purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's absolute and sole discretion.
Terms of subscription:	<p>Any subscriber of the Bonds specifically authorises the Bond Trustee to execute and deliver the Bond Terms on behalf of the prospective Bondholder, who will execute and deliver relevant application forms prior to receiving Bond allotments. On this basis, the Issuer and the Bond Trustee will execute and deliver the Bond Terms and the latter's execution and delivery is on behalf of all of the subscribers, to the effect that they thereby will become bound by the Bond Terms. The Bond Terms specify that by virtue of being registered as a Bondholder (directly or indirectly) with the Securities Depository, the Bondholders are bound by the terms of the Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with.</p> <p>The Bond Terms shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request to the Bond Trustee or the Issuer.</p>
Transfer Restrictions:	<p>The Bonds are freely transferable and may be pledged, subject to the following:</p> <ul style="list-style-type: none"> (i) Bondholders may be subject to purchase or transfer restrictions with regard to the Bonds, as applicable from time to time under local laws to which a Bondholder may be subject (due e.g. to its nationality, its residency, its registered address, its place(s) for doing business). Each Bondholder must ensure compliance with local laws and applicable regulations at its own cost and expense. (ii) Notwithstanding the above, a Bondholder which has purchased the Bonds in contradiction to mandatory applicable restrictions may nevertheless utilize its voting rights under the Bond Terms provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.
Governing Law:	Danish law.

RESPONSIBILITY STATEMENT OF THE MANAGEMENT BOARD OF THE ISSUER

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of board meetings, auditors' records and other internal documents is included in the Company Description.



Thomas W. Færch

CEO

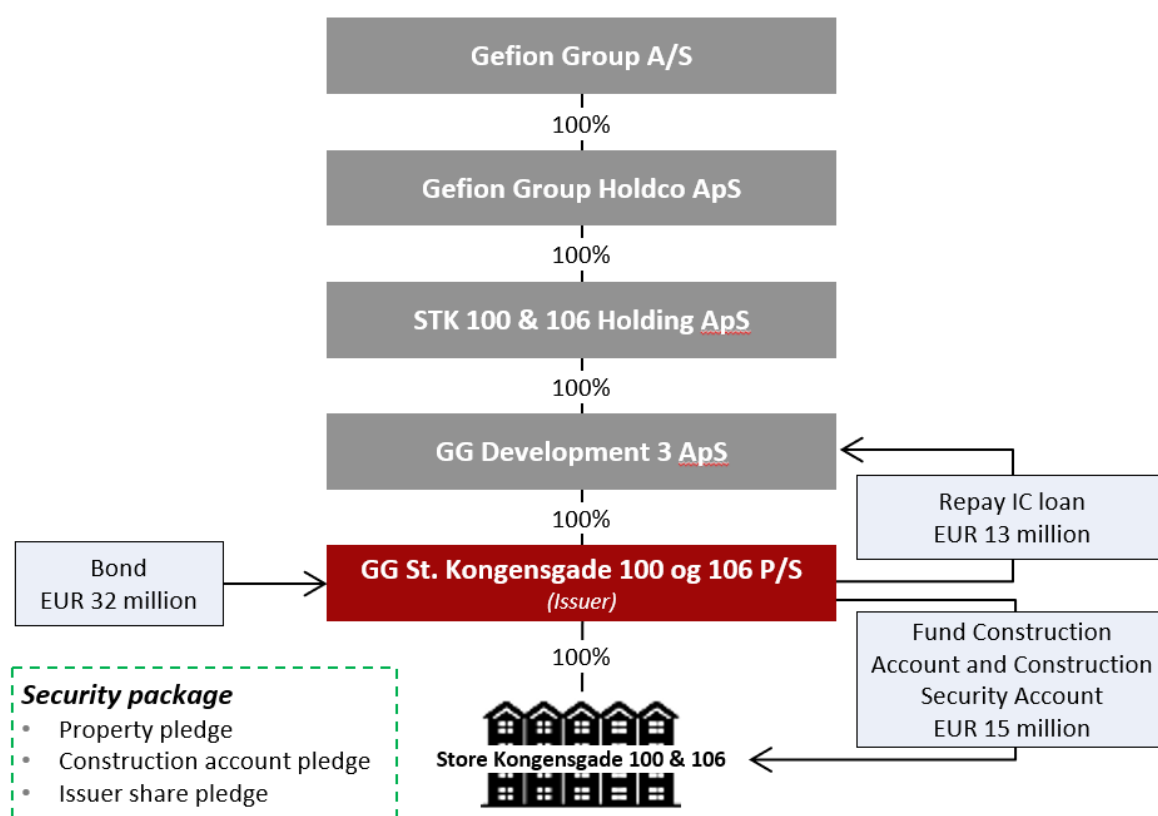
SUMMARY CORPORATE AND FINANCING STRUCTURE

The following section provides a simplified summary of the Issuer's corporate structure after giving effect to the offering of the senior secured bonds and the use of proceeds therefrom. Please see "Use of Proceeds" under "Investment Summary".

Transaction Structure

The senior secured bonds will be issued by GG St. Kongensgade 100 og 106 P/S (with business registration number 38306847), which is a wholly owned subsidiary of Gefion Group A/S. The bonds will be secured as described in the "Investment Summary". The diagram below provides a simplified summary of the Issuer's corporate structure post issuance of the senior secured bonds.

Exhibit: Simplified transaction structure



Source: Company information

The Issuer intends to issue senior secured bonds in an amount EUR 32 million to refinance existing debt, and to fully fund the completion of the project. EUR 13 million is used to repay an intercompany loan initially granted to fund acquisition of the property. EUR 15 million will be deposited on a pledged construction account and a construction security account. This amount is sufficient to cover all construction costs to complete the project, according to the agreed construction contract. Additional security includes negative pledge, 1st lien pledge in properties and share pledge in the issuer. EUR 4 million will go to fund general corporate purposes, including transaction cost. A full overview of sources and uses is depicted below.

Exhibit: Overview of sources and uses

Sources	EURm	Uses	EURm
Senior secured bond issue	32	Refinance intercompany loan	13
		Fund construction	15
		General corporate purposes	4
Total sources	32	Total uses	32

Post issue, gross debt of the Issuer will amount to EUR 32 million, while net debt will amount to EUR 14.5 million. The Project is valued “as-is” at EUR 18.3 million, by CBRE. This gives an opening net LTV(gross interest bearing debt minus cash and cash equivalents divided by property value) of 79%. CBRE estimated sales price upon completion of EUR 39.7 million, which implies a gross LTV (gross interest bearing debt divided by property value) upon completion of 80%. Given a 12 months construction period, this leaves bondholders with a Cash Margin, total sales price plus surplus funding less all future obligations (including interest payments), to expected sales price of EUR 8.1 million.

RISK FACTORS

Investing in the Bonds involves inherent risks. The financial performance of GG St. Kongensgade 100 og 106 P/S (the “Company” or the “Issuer”) and the risks associated with its business are important when making a decision on whether to invest in the Bonds. A number of risk factors and uncertainties may adversely affect the Issuer. If any of these risks or uncertainties actually occur, the business, operating results and financial position of the Issuer could be materially and adversely affected, which ultimately could affect the Company’s ability to make payments of interest and repayments of principal under the final terms and conditions for the Bonds (the “Bond Terms”). In this section, a number of risk factors are illustrated, namely general risks pertaining to the Issuer’s business operations and material risks relating to the Bonds as financial instruments. The risks presented herein are not exhaustive and other risks not discussed herein may also adversely affect the Issuer, the price of the Bonds and the Company’s ability to service its debt obligations. Further, the risk factors are not ranked in order of importance. Potential investors should consider carefully the information contained in the Presentation and make an independent evaluation before making an investment decision.

Risks relating to the Issuer’s business

The Issuer is exposed to various risks due to long duration of real estate development projects

The Issuer is a single purpose company set up with the intention to acquire and develop a property comprising 2 individual plots. The Issuer is dependent on the assistance of the Ultimate Parent company Gefion Group A/S, which provide assistance with the development. If the Ultimate Parent fails to assist in the development process, it could have a material adverse effect on the business, results of operations, profitability or financial conditions of the Issuer. The process of real estate development usually lasts several years. As a result, the Issuer’s business is exposed to various risks. The Issuer’s business, results of operations, financial condition and profitability of the Issuer may be adversely affected *inter alia* by any of the following:

macroeconomic environment, market conditions and other similar circumstances, which are not under the control of the Issuer, may change over the time causing the development costs to exceed budget and/or the income being lower than expected or estimated;

the Issuer may not be able to duly perform its obligations (*e.g.* obligations under financing and other agreements) due to changed circumstances;

the laws and regulations applicable to the Issuer may be amended;

new or unforeseen requirements from the authorities, including the building authorities;

the detailed plan for the project area, obtaining building permit, intended use of the property or other conditions vital for the development activities may be changed over the time and the Issuer may not be able to sufficiently influence the outcome of such changes.

The Issuer may not be able to obtain suitable detailed plan, necessary permits and other approvals

In order to develop real estate, relevant planning regulations must be in place that allows for the contemplated development project. Planning regulations specify *inter alia* the intended use(s) of the property, the maximum permitted building percentage, the required free space and the maximum permitted height of the buildings. A valid building permit must have been issued in order to start construction. The Issuer may also need to acquire certain other permits and authorisations in order to start the construction of buildings and other necessary structures on the property in accordance with the plan for the project. In addition, the Issuer may need permits for demolition of the existing constructions

located on the property. If the demolition is not permitted or its end materials (e.g. containing hazardous substances) need specific handling, it may require additional monetary resources from the Issuer.

The process for obtaining suitable detailed plan, building permit and other necessary permits, approvals and authorisations is subject to detailed rules and procedures set forth in laws and may take several years (the length of such process cannot be precisely predetermined and may become significantly longer than expected). In addition, significant costs relate to such process, which the Issuer must bear while applying for the detailed plan or necessary permits, approvals or authorisations. Even if the Issuer applies for the detailed plan or other permits, approvals or authorisations necessary for its development activities, it may not be able to obtain detailed plan or permits, approvals or authorisations that are suitable for planned developments of the Issuer. Further, the Issuer must bear such costs irrespective of the outcome of the respective proceedings.

The Issuer have for example the detailed plan compiled. In order to develop the property, the Issuer may need to obtain additional building permits and other approvals and authorizations.

If any such plan, approval, authorization or permit is not obtained on terms and conditions suitable for the planned development activities or the Project or if any such plan, authorization, approval or permit is withdrawn, has any defects or is amended, it could have a material adverse effect on the business, results of operations, profitability or financial conditions of the Issuer.

Properties of the Issuer may be expropriated in the public interests

In case the land that the Issuer has acquired is needed for public purposes (e.g. for road construction), the state or the municipality may expropriate the land in question from the Issuer for compensation equal to the value of the land.

However, such compensation may not be sufficient to cover all the damage caused to the Issuer and the Issuer may suffer consequential losses that are not covered by the compensation. Expropriation of any of the Issuer's properties could have a material adverse effect on the business, results of operations, profitability or financial conditions of the Issuer.

Long duration of projects may result in inaccuracy of the forecasts

The Issuer develops its properties on the basis of business and development plans elaborated for each property. Such plans are *inter alia* based on forecasts of future circumstances. Long duration of the projects aggravates forecasting future costs, income, prices, necessity for financing and its availability and other similar circumstances relating to development projects. If the Issuer's forecasts are inaccurate or based on assumptions which will prove to be incorrect, that could have a material adverse effect on the business, results of operations, profitability and financial conditions of the Issuer.

The market value of the properties may differ from the values booked in the financial statements and the value of Issuer's properties may decrease in the future

In the financial statements the Issuer's properties are mainly booked at cost price in accordance with applicable accounting principles. However, the properties' market value may differ from the values stated in the financial statement. Further, relevant property values may change over time, which means that material differences in the properties' market value and the booked value, or changes in the values of the Issuer's properties may occur.

The Issuer may not have sufficient insurance cover or specific reserves for indemnifying damages

The Group has obtained insurance against various damages and losses. However, insurance coverage is subject to limits and limitations and various risks (e.g. certain natural disasters and terrorist acts) are not covered by insurance for various reasons (e.g. because such risks are uninsurable or the cost of insurance is, according to the Issuer's management board's (the "**Management Board**") view, too high

when compared to risk). The Issuer believes that the Group's insurance is in line with standard industry practice. However, such insurance may not be sufficient to fully compensate the Issuer against all its losses. For example, if the insurance is adequate to cover the Issuer's direct losses, the Issuer could be adversely affected by loss of earnings caused by or relating to the Group's properties. The occurrence of any of the above referred harmful effects or insufficient insurance coverage:

could result in loss of invested funds and future income and creation of additional obligations and liability for the Issuer; and

may have a material adverse effect on the business, results of operations, profitability and financial conditions of the Issuer.

The Issuer does not maintain separate funds nor does it set aside reserves for the above-referred types of events.

The Issuer relies on third party building contractors

The Issuer relies on third party building contractors and other suppliers of goods and services required to finalise the project. If the Issuer cannot enter into agreements with suppliers of goods and services at acceptable terms or cannot agree on reasonable amendments to concluded agreements or the building contractors or other suppliers breach such agreements or their obligations under mandatory requirements of law, including requirements which are a pre-condition for the validity of a construction permit (such as – continuous constructor's liability insurance policy during the term of the construction permit), for any reason whatsoever, the Issuer may be required to incur additional costs or suffer losses or lose planned income. Any such breach may also result in delay in the completion of the relevant development project. Any such event could have an adverse effect on the business, results of operations, profitability or financial conditions of the Issuer. The Issuer has however entered into a turn key contract with Harder Elements A/S for the entire project. Contracts with other third parties are matters between the third party and the turn key Contractor.

Cost base

The Issuer's probability and ability to finance the project with the budgeted costs is to a large extent determined by the costs of the materials to be applied for the project and the costs of the suppliers received to make the project. The costs of materials and suppliers are volatile and may be affected by various events. To the extent these costs rise, this may adversely affect the Issuer's financial position.

The Issuer will not be able to develop its projects according to its plans if it fails to raise additional capital or service outstanding indebtedness

The Issuer operates in a capital intense industry and needs substantial working capital to support acquisition and development of the Properties. Therefore, if internally generated cash flow or cash flow received from sales of developed real estate is different than anticipated or money available from either local or global lenders is under liquidity pressures, it could have a material adverse effect on the business, results of operations, profitability and financial conditions of the Issuer.

Contractual risks and legal proceedings

A dispute may arise between the Issuer and its contractual counterparties on the interpretation or the validity of a contract or fulfilling of contractual obligations. Any of this can lead to arbitration or litigation with an unfavourable outcome for the Issuer. Among other things, any assets acquired or sold by the Issuer, including inter alia real estate, may have latent defects (e.g. pollution or latent defects in construction works etc.) which become apparent only after the respective asset has been acquired or

sold and this may lead to disputes between the Issuer and the contractual counterparty and the title to the Issuer's assets may be disputed as a result of defects therein or relevant contract. Application of provisional legal protection or measures for securing an action against the Issuer in the course of a dispute may significantly impede the Issuer's business. Therefore, any of the above may also have a material adverse effect on the business, results of operations, profitability and financial conditions of the Issuer.

The Issuer is exposed to environmental liability

The Issuer's activities are and will continue to be subject to laws and regulations relating to environmental protection including inter alia waste handling, contamination of soil, protection of ambient air and use of water. Furthermore, such laws are subject to possible future changes. Failure to comply with the laws and regulations and permits given thereunder and related contractual terms and conditions (including failure to adjust the Issuer's activities to the amended legal requirements) could result in substantial costs and liabilities for the Issuer. This could have a material adverse effect on the business, results of operations, profitability and financial conditions of the Issuer.

The Issuer's reputation may be damaged

The Issuer's ability to attract purchasers of property, attract and retain tenants, raise the necessary financing for the development projects as well as retain personnel in its employment may suffer if the Issuer's or the Ultimate Parent's reputation is damaged. Matters affecting the Issuer's or the Ultimate Parent's reputation may include, among other things, the quality and safety of its premises and compliance with laws and regulations. Any damage to the Issuer's and the Ultimate Parent's reputation due to, for example the aforementioned matters, may have a material adverse effect on the business, results of operations, profitability and financial conditions of the Issuer.

Real estate developer's liability

The Issuer in its capacity as a real estate developer may under Danish laws be held liable towards their clients *inter alia* for construction defects (quality of works and materials) and legal defects (such as restrictions of use, third party rights, restrictions deriving from planning, etc.) of the properties sold.

The Issuer seeks to cover its exposure for warranty claims mainly by obtaining insurance cover against construction risks for the whole duration of the project. However, having such insurance in place may prove to be insufficient. The contractors and subcontractors of the Issuer, to whom the warranty liability is passed, may lack adequate financial means to fully indemnify the Issuer. Additionally, losses may arise if some risks are not adequately addressed in the insurance policies or indemnity arrangements of the Issuer. If the Issuer's exposure to risks arising from design and construction liabilities cannot be effectively covered it could lead to substantial costs and potentially cause substantial losses to the Issuer. Defects in construction and design and the related liability of the Issuer may also damage the reputation of the Issuer and further lead to an adverse effect on the business and financial conditions of the Issuer. With the Issuer choosing to be a developer rather than a construction company, it faces additional risks of reduced control and timing of the projects, which might be impacted by possible delays from subcontractors, or their non-performance. This could lead to a material adverse effect on the business, results of operations, profitability and financial condition of the Issuer.

Reliance on key personnel

The Issuer is to a large extent dependent on certain management personnel and other key employees and their ability to attract and retain key employees and qualified management personnel going forward. Current arrangements with such employees intended to ensure their continued employment or non-competition may not be effective and such employees may resign, which could have a material adverse effect on the business, results of operations, profitability and financial condition of the Issuer. As the project is now in the construction phase the primary key person on the project is the project responsible and the technical director who supervises the project overall. The key individuals are motivated to stay

in their positions by way of competitive salaries and a bonus scheme. However, we do not assess that a project leader could not quickly be replaced by another competent individual in the organization since this is a turn-key contract.

Financial assistance rules

The applicable Danish financial assistance regime set forth limitations and restrictions on transactions by which Danish limited liability companies assist in the financing of the acquisition of the shares in themselves or their direct or indirect parent companies. Any security interest or other financial support granted by the Issuer to the bondholders in violation of these rules and restriction may be held not to be enforceable and required to be reverted.

Risks relating to the Issuer's industry

Developments in the macroeconomic environment affect Issuer's business

Real estate development tends to follow the general developments in the macroeconomic environment. Interest rates, unemployment, inflation, private consumption, capital expenditure and other macroeconomic indicators have significant influence on real estate developments and hence the operations and the potential profitability of the Issuer.

Favourable developments in the macroeconomic environment increase demand for residential properties, allow the real estate companies to increase rent rates of retail properties and prices for accommodation in hotels. Adverse developments increase pressure on real estate prices, rent rates and yields. Hence the Issuer's results are dependent on general macroeconomic environment and adverse developments in the environment might lead to reconsideration of some of the Issuer's development plans, negative pressure on prices and rents of the Issuer's properties or other changes in relation to the Issuer's properties that might have a material adverse effect on the business, results of operations, profitability and financial conditions of the Issuer.

Cyclicity of the real estate sector affects Issuer's business

Real estate development is a cyclical sector. The number of real estate related transactions fluctuates significantly depending on the stage of the real estate cycle, which could have a material adverse effect on the business, results of operations, profitability and financial conditions of the Issuer.

Illiquidity of real estate

The investment that the Issuer has made in real estate is illiquid and sale of the properties might be time consuming. If the Issuer's liquidity is adversely affected, the Issuer might not be in position to liquidate its investments promptly and/or on favourable terms and conditions.

Competition

The Issuer is operating in a competitive environment with a high number of other companies engaged in real estate development. The Issuer competes with several local, national and international real estate developers. Additional competitors with better access to financing may enter the real estate markets. Potential over-supply in the real estate markets may result in the decrease of average sales price and lease payments and therefore adversely affect the business and financial conditions of the Issuer. In the general market in Copenhagen there are several competitors within student housing and residential housing. However, the project in Store Kongensgade is unique among others because the project is situated in the middle of central Copenhagen where there are no other similar projects for student housing in progress. Lidl is the grocery tenant in the ground floor and with a 15 years lease contract there are only very few, if any, risks from competitors connected with the retail unit.

Changes in customer preferences

Real estate sub-markets where the Issuer is operating (residential housing market, retail property market) are subject to changing customer trends, demands and preferences, which may further vary, depending on economic factors, as well as customer preferences for the style of developments. Such risks and potential changes in customer preferences are continuously assessed by the Issuer at different phases of a project. In case changes in customer preferences or other potential threats to the profitability of a project are found, adjustments are made to the project outline to the extent possible in respective phases of the project, in order to meet the new market expectations. However, such changes may not always be recognised and adaptations to existing or planned developments may not be made in timely fashion to suit such changes in customer preferences. Should customer preferences cease to favour the Issuer's developments, it could have a material adverse effect on the business, results of operations, profitability and financial conditions of the Issuer. As the project is now in the construction phase and a turn-key contract is in place for completion of the project very few changes can be made to the project.

The Issuer is exposed to the credit risks of its tenants and suppliers

The Issuer's financial performance and position are dependent, to a certain extent, on the creditworthiness of its tenants and suppliers. If there are any unforeseen circumstances affecting the Issuer's tenants' and/or suppliers' ability or willingness to pay, the Issuer may experience payment delays or non-payment. Each of these factors may have a material adverse effect on the business, results of operations, profitability and financial conditions of the Issuer.

Political, economic and legal risks

Risks related to tax regime

Any changes in the tax regime may have a material adverse effect on the business, results of operations, profitability and financial conditions of the Issuer.

Increased cost of complying with laws, government regulations and policies

New regulations or fiscal or monetary policies, or amendments to existing regulations, may be implemented by the government. Substantial amendments to the existing regulations or implementing of any new regulations could result in significant additional costs for the Issuer. Thus, any significant amendment to the existing regulations or implementing of any new regulations could impose restrictions on the operations of the Issuer which could further have a material adverse effect on the business, results of operations, profitability and financial conditions of the Issuer.

Eurozone risk

Recent turmoil related to some of the Eurozone economies may affect the Issuer's operating environment, either directly or indirectly through common currency and monetary policy changes. Prolonged and deep national budget deficits may adversely impact all the area's attractiveness. Full or partial collapse of the Eurozone might have a material adverse effect on the business, results of operations, profitability and financial conditions of the Issuer.

Interest rate risk

Lending rates affect the activity of real estate market and high interest rates usually reduce the demand for real estate. Low demand in turn can adversely affect the value of Issuer's properties and, consequently, the Issuer's revaluation gains.

Risks relating to the Bonds

Credit risk

Investments in bonds in general entail a certain degree of risk for investors, including the risk of losing the value of the entire investment. Investors in the Bonds become exposed to a credit risk in relation to the Issuer and the Bonds carry a relatively high interest, which is to be regarded as a compensation for the relatively higher risk an investor carries compared to an investment in *e.g.* Danish government bonds. The investor's possibility to receive payment under the Bond Terms is dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent on the performance of the Issuer's business activities and its financial position. The Issuer's financial position is affected by several factors, a number of which have been discussed above.

An increased credit risk may cause that the Bonds are charged with a higher risk premium by the market, which would affect the Bonds' value and price in the secondary market negatively. Another aspect of the credit risk is that a deteriorating financial position may cause the Issuer's credit worthiness to decrease, which could negatively affect the possibility for the Issuer to refinance the Bonds at maturity.

Interest rate risk

The value of the Bonds depends on several factors, one of the most significant over time being the level of market interest. Investments in the Bonds involve a risk that the market value of the Bonds may be adversely affected by changes in market interest rates.

Refinancing risk

The Issuer may be required to refinance certain or all of its outstanding debt, including the Bonds. The Issuer's ability to successfully refinance its debt obligations is dependent upon the conditions of the capital markets and the Issuer's financial position at such time. Even if the markets and the Issuer's financial position are favourable, the Issuer's access to financing sources may not be available on acceptable terms, or at all. The Issuer's inability to refinance its debt obligations on acceptable terms, or at all, could have a material adverse effect on the Issuer's business, financial position, profitability and results of operations and on the bondholders' recovery under the Bonds.

Liquidity risk

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell the bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Investors should therefore regard their investment in the Bonds to be of an illiquid nature and as such close ended prior to the redemption date.

The Bonds are designed for specific investment objectives or strategies. As such, the Bonds generally will have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may at times have a severely adverse effect on the market value of the Bonds. This is very important if the investor needs to sell their bonds.

The Issuer shall ensure that the Bonds issued under the initial Bond issue are listed on the corporate bond list of a Nordic Exchange or, if such admission to trading is not possible to obtain or maintain, or if the Issuer determines in its reasonable discretion that a different Exchange should be preferred, admitted to trading on another Exchange within 12 months after the Issue Date and with an intention to complete such listing within 90 days after the Issue Date. However, even after the Bonds are admitted to trading on a regulated market, there is not always active trading in the securities and there is a risk that there will not be a liquid market for trading in the Bonds or that this market will be maintained even when the Bonds are listed.

The Bonds may not be a suitable investment for all investors

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this material or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;
- thoroughly understand the Bond Terms and the other Finance Documents; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Issuer operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors, some of which are described herein. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Issuer's operating results, financial position or prospects. During given time periods, it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, *e.g.*, severe price fluctuations, close down of the relevant market or trade restrictions imposed on the market.

Currency risk

The Issuer will pay principal and interest on the Bonds in EUR. This presents certain risks relating to currency conversions if a bondholder's financial activities are denominated in principally in a currency or currency unit other than EUR. As a result, bondholders may receive less interest or principal than expected, or no interest or principal. The Issuer's income is expected to be in DKK and since the Bonds are denominated in EUR fluctuations in the exchange rate between DKK and EUR may impact the Issuer's ability to make the payments under the Bonds.

Security arrangements and risk of voidance

The pledged assets may not be sufficient for the bondholders should the pledges be realised. If the proceeds from an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the bondholders will only have an unsecured claim against the remaining assets (if any). The Issuer shall use part of the proceeds from the Bonds for the repayment of existing indebtedness which currently have security interests in the assets to be used as security in favour of the Bondholders. This means in particular that the security interests in the following assets, the shares of the Issuer, the shares in Komplementarselskabet GG St. Kongensgade 100 og 106 ApS, the Construction Account, the rights under the construction contract including the underlying construction guarantee, the Issuer's rights of payment under the lease agreements related to the Properties, STK 100 og 106 Holding ApS' rights under certain intercompany loan agreements and Gefion Group A/S' rights under certain intercompany loan agreements will not be established and perfected until after the Bonds have been issued and the proceeds released to the Issuer. This will have the consequence that if the security provider becomes insolvent within 3 months from the point in time where the security interest is established and perfected, then the security interest over such assets will be in risk of becoming void.

Further, if the existing lenders do not release their pledges, mortgages and encumbrances on the Properties, the security interests to be established in favour of the Bondholders over these assets will

not get the intended priority, which will have a negative adverse effect on the value of the bondholders' security interests and the bondholders' recovery.

Risks related to the Issuer's call option and the bondholders' put option

As stipulated in the Bond Terms, the Issuer has reserved the possibility to redeem all outstanding Bonds before their final redemption date. If the Bonds are redeemed earlier than 12 months after the issue date, the bondholders have the right to receive an early redemption amount which exceeds the nominal amount. Further, the Issuer is in certain situations required to partially prepay the outstanding Bonds, also at a price which exceeds the nominal amount.

However, there is a risk that the market value of the Bonds is higher than such early redemption or partial prepayment amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate.

As stipulated in the Bond Terms, the Bonds are subject to prepayment at the option of each bondholder (put options) upon a Change of Control Event. There is, however, a risk that the Issuer will not have sufficient funds at the time of such prepayment to make the required prepayment of the Bonds.

Risk related to floating interest rates and movements in market interest rates

The Bonds bear interest on their outstanding principal at a floating interest rate. If such interest rate is increased, it will increase the amount of interest payable on the debt, which could have a material adverse effect on the financial position of the Issuer.

No action against the Issuer and bondholders' representation

As stipulated in the Bond Terms, the Agent will represent all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer or any of its subsidiaries and may therefore lack effective remedies unless and until a requisite majority of the bondholders agree to take such action. However, the possibility that a bondholder, in certain situations, could bring its own action against the Issuer (in breach of the Bond Terms) cannot be ruled out, which could negatively impact an acceleration of the Bonds or other action against the Issuer. To enable the Agent to represent bondholders in court, the bondholders may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings.

Under the Bond Terms, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, the actions of the Agent in such matters could impact a bondholder's rights under the Bond Terms and the other Finance Documents in a manner that would be undesirable for some of the bondholders.

Bondholders' meetings

The Bond Terms include certain provisions regarding bondholders' meetings and written procedures. Such meetings and procedures may be held / executed in order to resolve on matters relating to the bondholders' interests. The Bond Terms will allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting / procedure and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting or written procedure. Consequently, the actions of the majority in such matters could impact a bondholder's rights in a manner that would be undesirable for some of the bondholders.

Restrictions on the transferability of the Bonds

The Bonds have not been and will not be registered under the Securities Act or any U.S. state securities laws. Subject to certain exemptions, a bondholder may not offer or sell the Bonds in the United States. Furthermore, the Issuer has not registered the Bonds under any other country's securities laws. Each potential investor should read the information in the Bond Terms and the heading "Important information", in the presentation prepared in connection with the listing of the Bonds for further information about the transfer restrictions that apply to the Bonds. It is each bondholder's obligation to ensure that its offers and sales of Bonds comply with all applicable securities laws.

Risks relating to the clearing and settlement in VP A/S' dematerialized book-entry system

The Bonds will be affiliated to VP Securities A/S' account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds will be carried out within VP Securities A/S' dematerialized book-entry system as well as payment of interest and repayment of the principal amount. Investors are therefore dependent upon the functionality of VP Securities A/S' account-based system.

Amended or new legislation

The Bond Terms are based on Danish law in force as of the date hereof and as of the issue date of the subsequent bond issue. No assurance can be given on the impact of any possible future legislative measures or changes or modifications to administrative practices. Amended or new legislation and administrative practices may adversely affect the investor's ability to receive payment under the Bond Terms.

Conflict of interests

The Manager may have had and may also in the future have relations with the Issuer other than those arising from its role in the Bond issue. The Manager may, for example, provide services related to financing other than through the Bond issue, such as investment banking services for, or other commercial dealings with, the Issuer. Consequently, conflicts of interest could therefore arise in the future.

Danish Financial Regulation Regime

The Issuer has structured the issuance of the Bonds and its operations in reliance on its interpretation of the Danish Financial Supervisory Authority's (DFSA) current practice on bond issues and issuers. It is the Issuer's view that pursuant to the current practice the issuance of the Bonds will not make the Issuer subject to the financial regulation or any license requirements thereunder as a regulated financial entity. Should the Issuer's interpretation of the current practice prove to be incorrect or should the DFSA change its practice in this area it could have a material adverse effect on the Issuer's business, financial position, profitability, and result, and on the bondholder's recovery.

Obligation to publish a prospectus

The Issuer's offering of the Bonds is structured in a manner which makes it exempt from the obligation to publish a prospectus approved by the DFSA. This does not mean that subsequent offerings of the Bonds will be exempt from the requirement to publish a prospectus. If subsequent offerings of the Bonds to the public do not comply with the conditions for being exempt from the obligation to publish a prospectus there is a risk that a bondholder making such offering to the public will become subject to an obligation to publish a prospectus approved by the DFSA.

Forward-looking statements

This Company Description includes forward-looking statements. All statements other than statements of historical facts included in this Company Description, including those regarding the Group's

financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Group, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Please see the section headed “Risk Factors” for a description of some of the risks that may affect any forward-looking statements. The Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein, except as may be required by law.

Limited due diligence in respect of the project

The only due diligence performed in relation to the project, besides for the Issuer’s own due diligence, is a limited legal due diligence performed by the legal advisors to the Issuer. The legal due diligence performed by the Issuer’s legal advisors is limited in scope and content to specific documents selected by the Issuer and is not prepared for the purpose of investing in the Bonds. There could be matters of relevance to an investor in the Bonds, which is not covered by the limited legal due diligence performed.

PROJECT: STORE KONGENSGADE 100 & 106

Introduction

The two properties, located on Store Kongensgade in the centre of Copenhagen, will be converted into student housing, residential units and retail. No. 100 will be converted into 73 modern student housing units and a supermarket, totalling 3,263 sqm, while No. 106 will be converted into 13 family residential apartments and supermarket, totalling 1,609. The project will be constructed on a full turnkey contract with Harder Elements A/S and has an expected construction period of 9 to 12 months. The costs associated with finalisation of the project amount to EUR 15 million, and upon completion, the sales price is estimated to EUR 39.7 million, by CBRE. The valuation assumes an average rent per sqm of EUR 332 and exit yields of 3.5% and 4.0% for residential units and retail, respectively. The intention is to sell the project to institutional or private investors upon completion.

The project is centrally located with proximity to shopping, public transportation, green areas, tourist attractions, etc. A metro stop on the new City Circle will open in 2019 120 meters from the properties. Kongens Nytorv and Strøget pedestrian area is located 600 meters away. The metro provides easy access to large parts of Copenhagen including Copenhagen Airport, Frederiksberg and Ørestaden.

The construction follows a stringent timeline managed by the turnkey contractor, Harder Elements A/S, while Emcon A/S will be appointed project monitor.

Exhibit: Before and after pictures of the project



Source: Company information

Description of the Project

The project is a conversion of a former police station (Store Kongensgade 100) and an old apartment building (Store Kongensgade 106). After conversion the properties will comprise 73 student housing units, 13 residential units and retail facilities. The retail area is located at ground level. LIDL has signed a 15-year lease contract for the retail area.

The 73 student housing units will be located in No. 100 (the previous police station) and span 2,561 sqm in total. The 13 residential units will be located in No. 106 and span 1,396 sqm in total. The project will almost exclusively be a conversion, though there is a small expansionary aspect to the top floor of No. 106 and on the back of No. 100. The building permit was granted in April 2018 and a turnkey contract has been signed. Estimated construction time is 9 to 12 months enabling the project to be completed medio 2020.

Student housing - Store Kongensgade 100



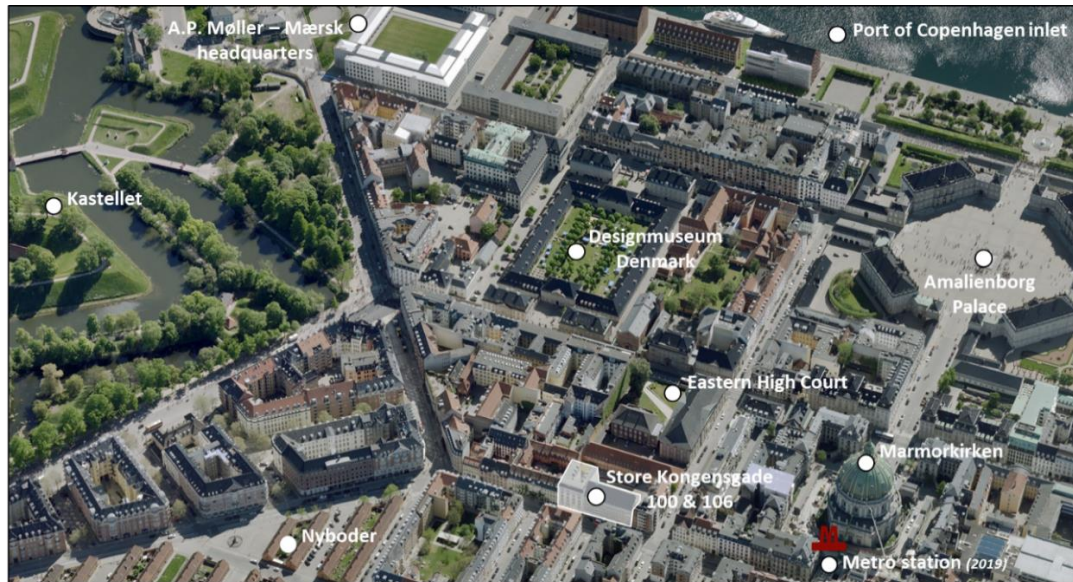
Residential units - Store Kongensgade 106



Project Location

The project is located at an attractive inner-city location with proximity to shopping, restaurants, cafes, green areas and public transportation. When the new metro line, the City Circle, opens in 2019, the nearest stop will be located 120 meters from the property. This provides convenient and easy access to large parts of Copenhagen. Within walking distance are several Copenhagen landmarks including: The Royal Castle, Kongens Nyhavn, the Little Mermaid, Strøget and Christiansborg.

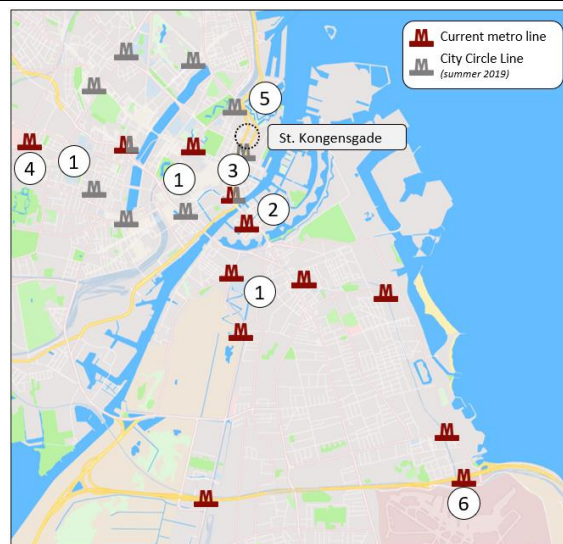
Exhibit: Project location I



Source: Company information

The existing and future metro lines provide great connectivity to the Greater Copenhagen area. Some examples are seen below with 1) Copenhagen University (multiple locations), 2) Christianshavn, 3) Kongens Nytorv, 4) Copenhagen Business School, 5) Kastellet and 6) Copenhagen Airport.

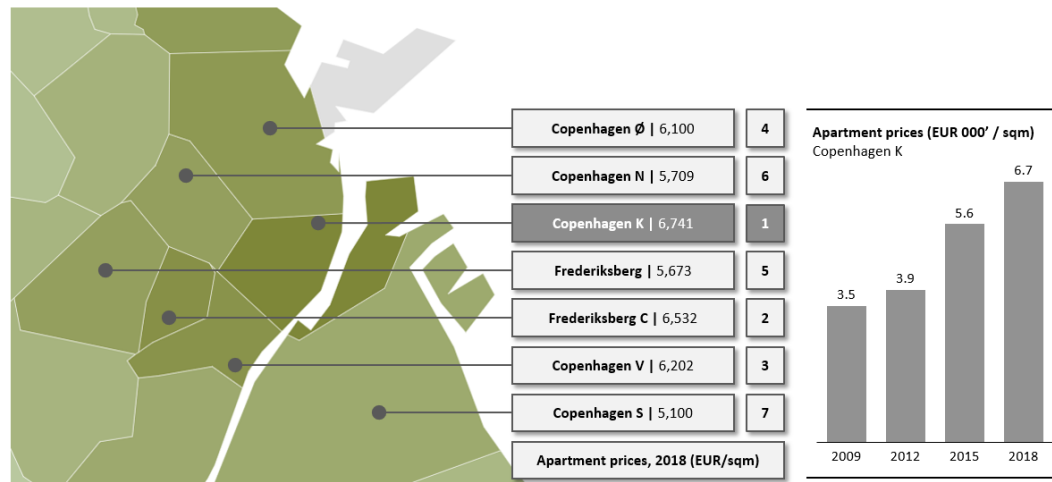
Exhibit: Project location II



Source: Company information

Residential apartments in the area where the project is located, have historically commanded some of the highest prices in Copenhagen. In 2018, the average sqm price for apartments located in Copenhagen K amounted to EUR 6,741. This is higher than any other part of Copenhagen and illustrates the high demand for centrally located accommodation.

Exhibit: Apartment prices per sqm in Copenhagen

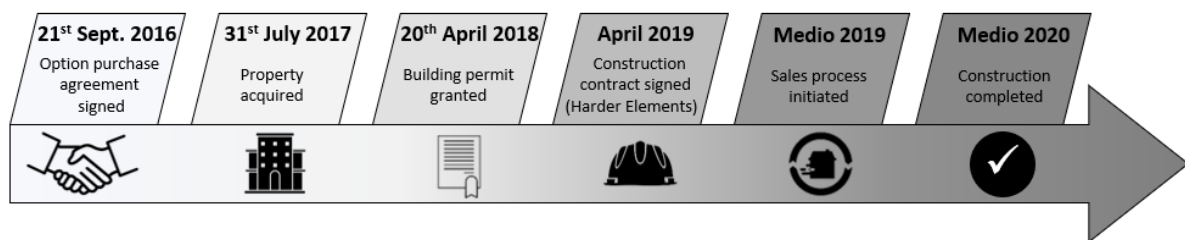


Source: Finance Denmark

Construction Timeline

The construction of the project follows the timeline shown below.

Exhibit: Construction timeline



Source: Company information




- **21st September 2016:** Gefion signed an optional purchase agreement. Dialogue was initiated with the municipality regarding the local plan and the project.
- **31st July 2017:** Gefion acquires the property and initiates the finalisation of the building permit application.
- **20th April 2018:** The building permit is granted.
- **April 2019:** Construction contract signed with Harder Elements A/S. Detailed construction plan is expected to be finalised.
- **Medio 2019:** When the construction is initiated, the sales team begins to develop and distribute marketing material to potential investors. Gefion aims to fully subscribe the project prior to finalisation of the construction.
- **Medio 2020:** Construction of the project is expected to be completed, and residents may subsequently occupy the properties.

Contractor: Harder Gruppen

Harder Gruppen is a Danish contractor founded in 2001. Initially, Harder focused exclusively on flooring, however, since 2009 the company has been engaged with large scale projects on full turnkey contracts. In 2014, the company merged with Wibskov & Rasmussen. Today, Kenneth Harder, the founder of Harder Gruppen, is the sole owner of the company. The company has expanded their reach

into having their own element factory, brick layers, carpenters and project development team. Over the years, Harder has repeatedly received awards at the World Architecture Festival for their contribution to VM Bjerget, the 8 House and Krøyers Plads. Gefion and Harder have previously cooperated when Gefion developed Esthersvej 12 and Strandboulevarden 95-103 (prior to founding Gefion Group). The company has extensive experience in developing similar conversion projects on inner city locations.

Exhibit: Harder Gruppen track record

					
Tordenskjoldsgade Copenhagen K	Completed 2016	Esthersvej 12 Hellerup	Completed 2015	Strandhusene Copenhagen S	Completed 2013
Harder was contracted to convert and renew a centrally located building on a turn-key contract		Harder was contracted by Gefion to develop and construct five climate friendly town houses		Harder was contracted to develop and construct 40 terraced houses on a turn-key contract	
Number of units	9	Number of units	5	Number of units	40
Floor area sqm	802	Floor area sqm	601	Floor area sqm	5,098
Type	Turnkey contract	Type	Turnkey contract	Type	Turnkey contract

Source: Company information

In this particular contract, Harder Elements A/S, a subsidiary to Harder Gruppen, is the counterpart. Harder Elements are evaluated as a good counterpart. The company has a reported equity ratio around 45% and no interest-bearing debt in 2018.

Exhibit: Harder Elements A/S financials

Income statement (DKKt)			Balance sheet (DKKt)		
	2017	2018		2017	2018
Gross profit	5,681	20,356	Tangible assets	3,624	2,170
Staff expenses	(3,103)	(7,945)	Inventory	893	1,130
EBITDA	2,578	12,411	Accounts receivable	13,595	35,374
D&A	(146)	(661)	Cash	1,629	2,607
EBIT	2,432	11,750	Total assets	19,741	41,281
Net financial expenses	155	(122)	Total equity	10,259	18,468
EBT	2,587	11,628	Provisions	761	441
Tax	(567)	(2,620)	Accounts payable	6,086	11,398
Net earnings	2,020	9,008	Other debt	2,635	10,975
Equity ratio	52 %	45 %	Total liabilities	9,482	22,814
Net debt / EBITDA	neg.	neg.	Total equity & liabilities	19,741	41,281

Source: Harder Elements A/S annual report

Gefion and Harder Elements A/S have entered a full turnkey contract regarding the conversion of Store Kongensgade 100 & 106. The construction costs are expected to amount to EUR 15 million, while the construction phase is expected to last 9 to 12 months. Payments under the turn key contract are monthly and based on milestones. Hence, the construction account is only drawn down as the construction progresses.

Harder provides a 15% guarantee of the total construction costs during the construction, stepping down to 10% at completion and delivery and subsequently stepping down to 2% the first year after completion remaining until 5 years after completion. As the expected construction period is less than 12 months, the guarantee will quickly comprise a larger share of remaining costs. E.g. if half of the costs have been born, the guarantee is 30% of remaining costs. That is, in case of default, switching costs associated with finding a different contractor or additional costs of managing the construction internally are expected to be covered by the guarantee.

Project Monitor:

Emcon A/S will be appointed project monitor.

As Project Monitor Emcon A/S will participate in a monthly walk-through on the construction site in order to confirm the monthly progress and approve the Contractors invoice. Emcon A/S is a reputable company with lots of experience in the role as Project Monitor and the responsible person on the Project is Søren Wolsing (<https://emcon.dk/2019/02/06/soeren-wolsing/>).

Project Financials

CBRE values the project, as is, at EUR 18.2 million and estimates a future sales value of EUR 39.7 million. Costs to complete is budgeted to approximately EUR 15 million, including customary buffer. The bond will be issued at a net LTV (gross interest bearing debt minus cash and cash equivalents divided by property value) of 79%, while the loan-to-future sales price (gross interest bearing debt divided by property value) is 80%. Cash margin to expected bondholders will amount to EURm 8.1 if the project is completed in line with the current budget and timeline.

CBRE Group, Inc. is the world's largest commercial real estate services and investment firm, with 2018 revenues of \$21.3 billion and more than 90,000 employees (excluding affiliate offices). For further information please see www.cbre.dk

Valuation

A valuation of the properties has been conducted by CBRE. The properties have been valued as is to DKK 136 million, equivalent to EUR 18.2 million. Future sales value is estimated to DKK 295 million, equivalent to EUR 38.9 million. Including tenant deposits of EUR 816,000 CBRE estimates the total sales price to EUR 39.7 million. The valuation is based on rent per sqm per year amounting to EUR 268, EUR 362, EUR 362 and EUR 94 for the residential, student, retail space and retail storage, respectively. Furthermore, the valuation assumes net yields of 3.50% for the residential areas, and a net yield of 4% of the commercial units. There is further assumed structural vacancy of 1% for residential apartments and 2% for student housing. Initially, the lease agreement with Lidl has been based on a supermarket area of 889 sqm. However, it has been agreed, that rent associated with retail space located in No. 100 will be adjusted proportionally to final measurement. Meanwhile, rent associated with retail space located in No. 106 will not be adjusted, irrespectively of the outcome of the final measurement. Approximately 77% of the retail space is located in No. 100. The exhibit beneath illustrates the valuation in more detail.

Exhibit: Valuation

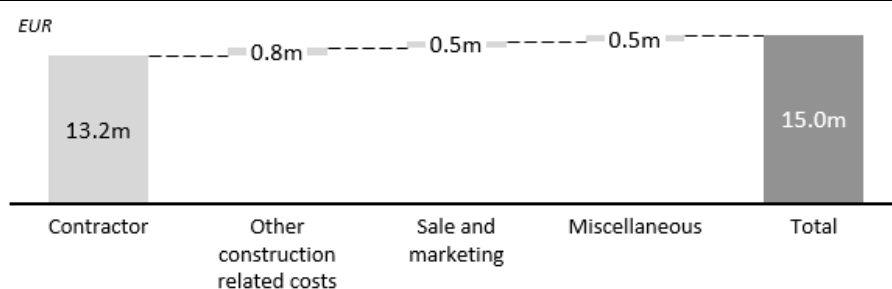
Area	Sqm	rent / sqm	(NOI) / sqm	yield	Sales value
Apartments	1,396	268	307,700	3.5%	8.8m
Student housing	2,561	362	773,600	3.5%	22.1m
Lidl supermarket	889	362	314,200	4.0%	7.8m
Retail storage	70	94	6,100	4.0%	0.2m
Total value	4,916		1,401,600	3.6%	38.9m
Tenant deposits					0.8m
Total project value					39.7m

Source: CBRE

Cost to complete

All costs associated with the project, which will be incurred from settlement and until occupancy are included in cost to complete. In total, cost to complete will amount to EUR 15 million. The largest cost is the fee paid to the contractor, Harder Gruppen, on a turn-key contract, which amounts to EUR 13.2 million.

Exhibit: Cost to complete

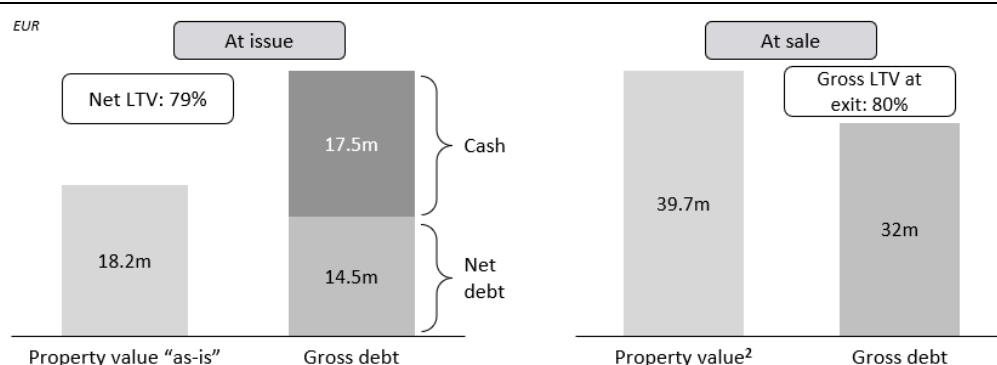


Source: Company information

A credit perspective

From a credit perspective, two metrics are considered particularly important: LTV (Loan-To-Value) and Cash Margin to bondholders. Post issue, gross debt amounts to EUR 32 million, of which 17.5 million is deposited at the Construction Account and Construction Security Account such that net debt equals EUR 14.5 million. This results in an initial net LTV of 79% at issue. A project value of EUR 39.7 million upon completion, including tenant deposits, implies a loan-to-future sales price of 80%.

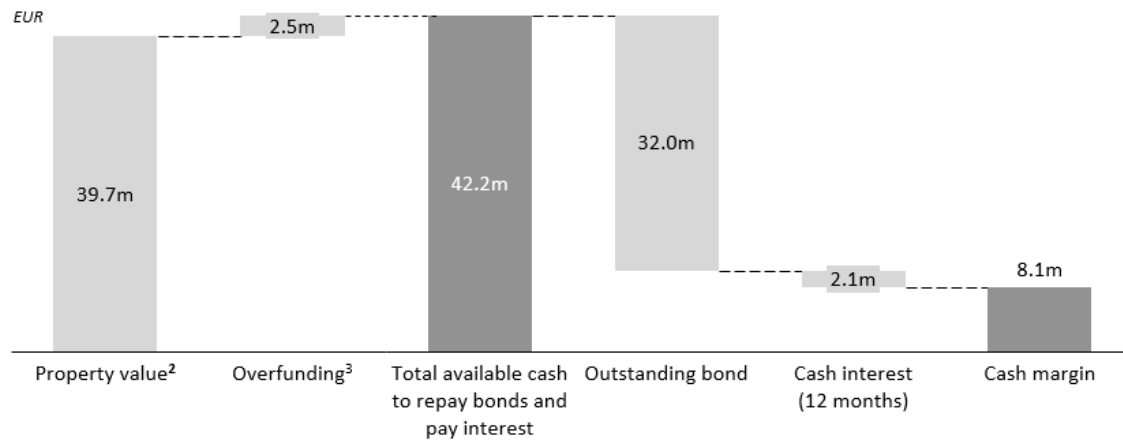
Exhibit: LTV overview



Source: Company information

Furthermore, assuming a sales price of EUR 39.7 million, this leaves a Cash Margin for bondholders. At maturity, outstanding notional and cash interest paid will amount to EUR 34.1 million. Given the expected sales price, this will leave a Cash Margin of EUR 8.1 million to bondholders. That is, even if the project sales price is reduced by 20%, the outstanding notional will be covered by the proceeds from a sale (transaction costs not included).

Exhibit: Cash margin to bondholders



Source: Company information

MARKET OUTLOOK

Introduction

Copenhagen is subject to an urbanisation trend that drives an increasing demand for housing. In particular, the number of students, and young people in general, has increased by approximately 26% since 2010, and is expected to increase further in the coming years. Meanwhile, construction activity has struggled to keep up, which has resulted in an increasing undersupply of residential real estate. Evidently, this mismatch between supply and demand has driven prices up – both in terms of rental rates and apartment prices. Apart from increasing price levels, a number of adverse legislative initiatives have been implemented in recent years, which is deemed to have made ownership a less attractive alternative.

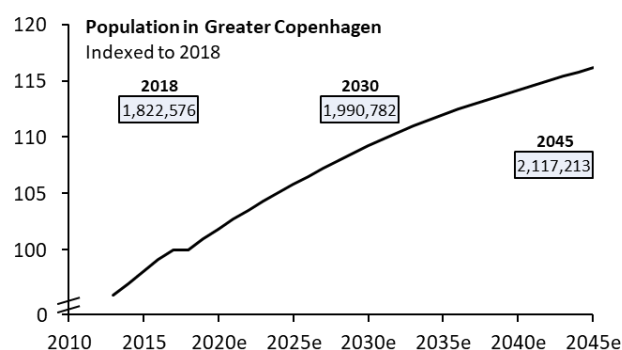
Macro Drivers

The combination of increasing population and insufficient supply during the past years, has led to increasing rent levels and higher apartment prices. However, apartment prices have not yet reached the levels seen in neighbouring Nordic capitals, Oslo and Stockholm.

Population growth

Copenhagen is experiencing steady population growth, and the number of inhabitants in Greater Copenhagen will expectedly increase with similar pace going forward. As such the population is forecasted to increase at an annual growth rate of 0.6% and reach 2.1 million by 2045.

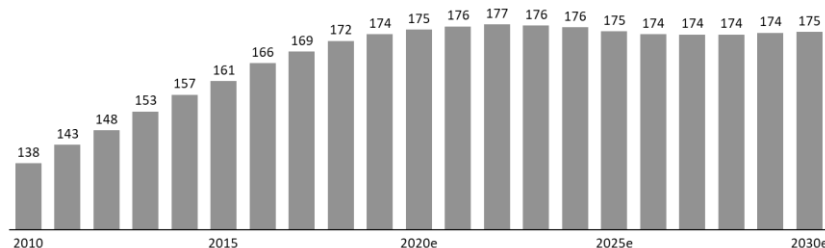
Exhibit: Population in Greater Copenhagen Indexed to 2018



Source: Statistics Denmark

Since 2010, the young population in Copenhagen, including the municipality of Frederiksberg, has been growing. In particular, the number of 20-29 aged has increased by 26% since 2010, and despite softer projected growth, the number of people in this age bracket is expected to remain high going forward.

Exhibit: Forecast of 20-29 aged in Copenhagen (in thousands of persons)

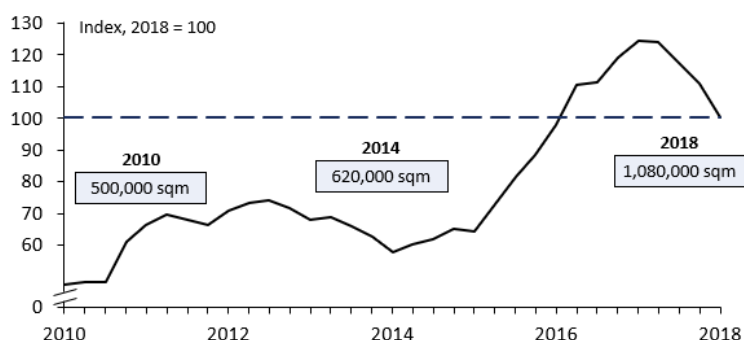


Source: Statistics Denmark

Construction activity

In response to the high demand for housing, construction activity in the Copenhagen area has been relatively high in recent years. In 2018, construction activity softened slightly while maintaining a high level.

Exhibit: Construction activity in Greater Copenhagen

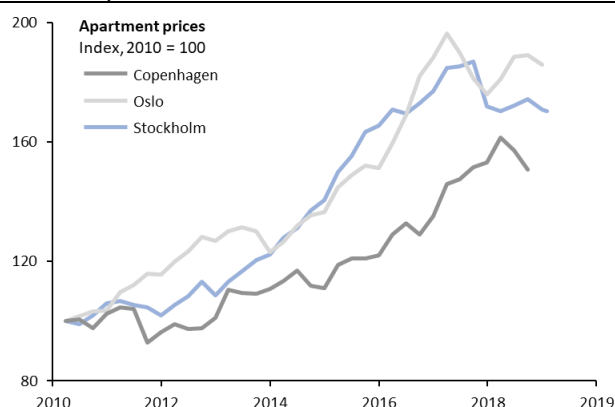


Source: Statistics Denmark

Development in apartment prices and rent levels

During the period from 2010 to 2018 apartment prices in Copenhagen has increased by approximately 50%. However, price increases have still been less pronounced than in Oslo and Stockholm.

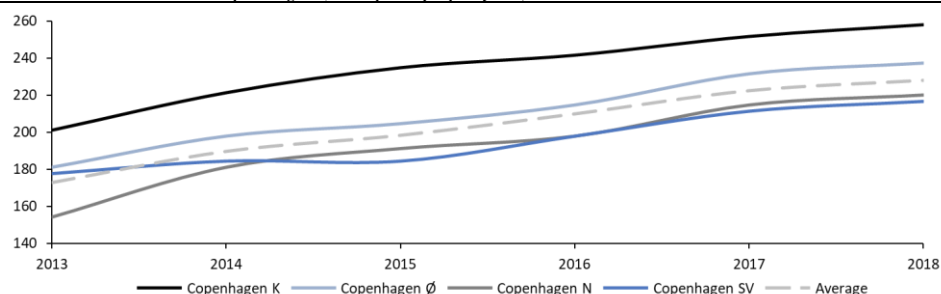
Exhibit: Apartment prices in the Nordic capitals



Source: Statistics Denmark, Statistics Norway, Statistics Sweden, Bloomberg, Colliers

In the rental market, a similar development has taken place throughout Copenhagen. Since 2013, the average rent level in Copenhagen has increased by 32%. The Copenhagen K area, where the project is situated, has the highest rental levels in Copenhagen.

Exhibit: Net rent levels in Greater Copenhagen (EUR per sqm per year)



Source: Statistics Denmark, Statistics Norway, Statistics Sweden, Bloomberg, Colliers

Note: Sadolin Albæk estimated the rental prices from flat sizes of 80-100 sqm Ground floor and penthouse units discounted

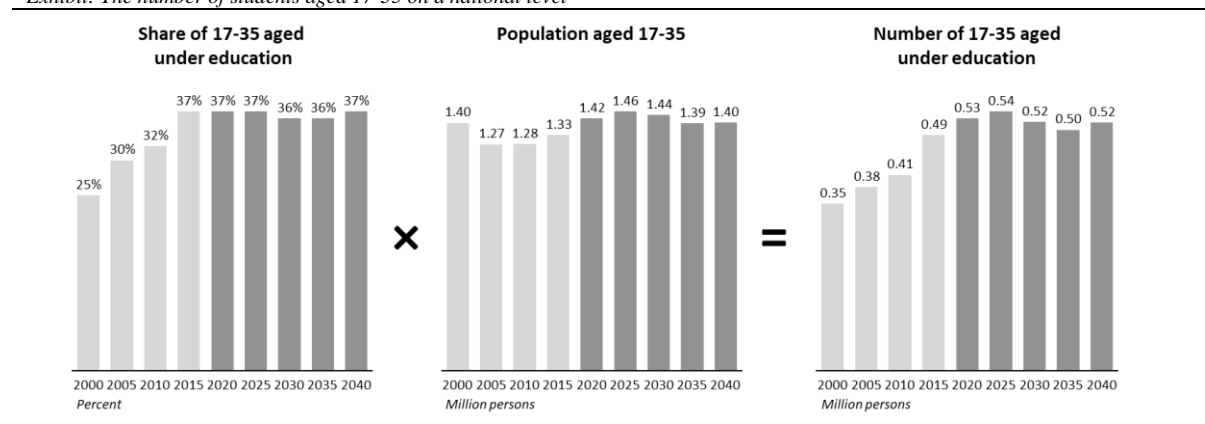
Student Housing

The demand for student housing is increasing as the number of both domestic and international students in Copenhagen is becoming higher. The intense market for student accommodation is putting pressure on both rent levels and apartment prices in Copenhagen. While numerous student housing facilities have been established in recent years, by both public and private entities, there continues to be an undersupply.

The demand for student housing

Since 2000, the proportion of 17-35 aged under education at a national level has increased. At the same time, the population in the same age bracket has remained around 1.4 million, a level that is expected to persist going forward to 2040. Consequently, on a national level, the number of students aged between 17-35 is expected to remain around 0.5 million – peaking at 0.54 million in 2025. This suggests a sustained demand for student housing.

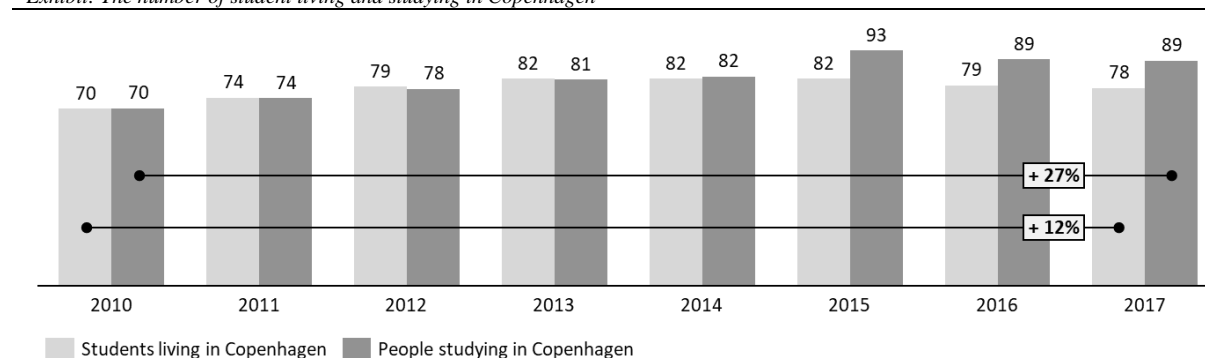
Exhibit: The number of students aged 17-35 on a national level



Source: Statistics Denmark, DREAM

In 2010, 70,000 students were enrolled at a higher education in Copenhagen (including Frederiksberg), while there were 89,000 in 2017. However, while the number of enrolled students has grown, the number of students living in Copenhagen reached 78,000 in 2017. This could be an indication of an undersupply in student housing, while the tendency has been exuberated by the fact, that newbuild apartments buildings have been required to have an average size of 95 sqm. As such the proportion of ‘student-seized’ flats have been dragged down.

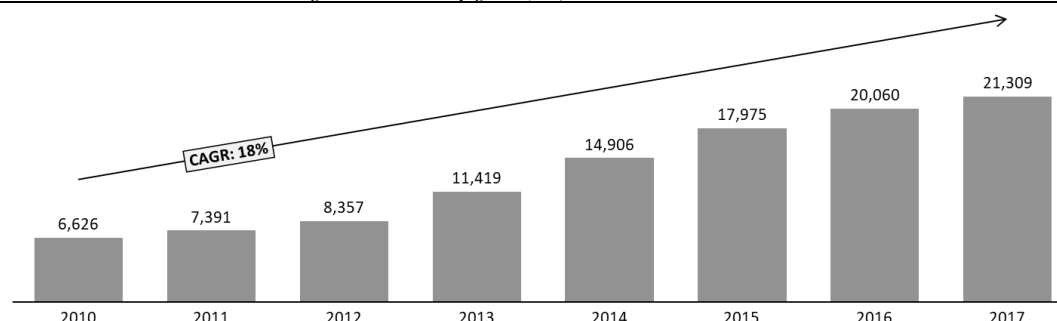
Exhibit: The number of student living and studying in Copenhagen



Source: Statistics Denmark

Another significant driver behind the increased number of students, is the increased inflow of international students. This is induced, by using the number of international students who receive the Danish study grant (SU), as a proxy for the number of international students. Since 2010, the number of international students granted the Danish study grant has increased by 222%, equivalent to an 18% CAGR.

Exhibit: International students receiving the Danish study grant (SU)

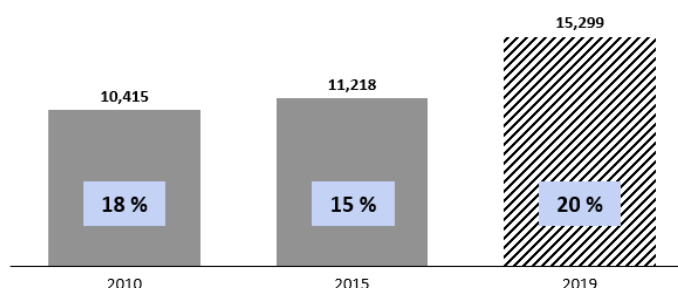


Source: Ministry of Higher Education and Science, Statistics Denmark

Student housing supplied by the Municipality of Copenhagen

In 2010, there were approximately 10,415 units of student housing in Copenhagen. This number remained fairly constant until 2015, where the number of units reached 11,218. However, the municipality has initiated a response to the increasing student population and expects to add approximately 5,500 units of student housing by 2020. The coverage ratio¹, however, remains low at about 20% - up from 15% in 2015. Consequently, the private market will continue to account for the largest share of student residence.

Exhibit: Supply of student housing in the municipality of Copenhagen and approximate coverage (%)



Source: Municipality of Copenhagen

Pricing in the student housing market

In general, newbuilds and centrally located housing is associated with higher rent levels. In comparison with other commercial student housing opportunities in Copenhagen, the units at Store Kongensgade thus seems competitively priced. Furthermore, significant waiting lists across the city implies that occupancy is expected to be rather low.

¹ Calculated as the ratio between number of students and number of student housing units

Exhibit: Overview of student housing

#	Name	Established	Distance	Gross sqm	EUR/month ¹	Fully let
1	Sømoseparken	2006	13.4 km	39	662	✓
2	Tobakskollegiet	2018	10.4 km	34	840	✓
3	Robert Jacobsen	2012	8.3 km	44	673	✓
4	Flintholm I	2009	6.7 km	36	742	✓
5	Flintholm II	2018	6.7 km	36	938	✓
6	Teglhuset	2015	5.5 km	36	983	
7	Stærevej	2011	5.2 km	46	761	✓
8	Accoyahuset	2019	5.0 km	42	1,211	✓
9	Nordbro	2018	4.5 km	47	965	✓
10	Holmbladsgade	2005	4.3 km	43	744	✓
11	Øens Kollegium	2012	3.9 km	47	731	✓
12	Lindgreens Allé	2019	3.8 km	37	938	✓
13	Sølvgade ¹	2016	1.5 km	41	991	
14	St. Kongensgade	2020	0.6 km	35	1,060	n.a.

Gross size and rent for each property is measured as an average across units

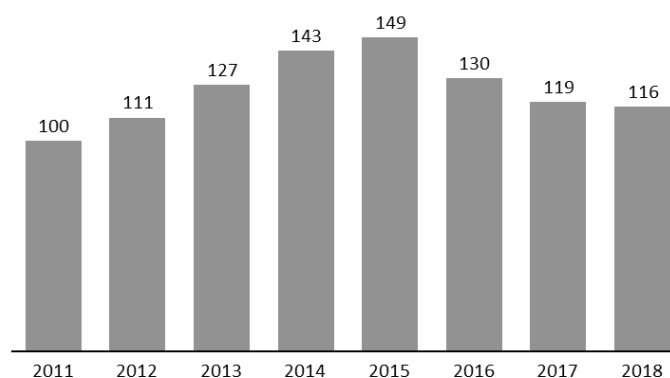
Source: KKIK, CIU and property websites

Note: 1) All rent levels denote gross rent, except for Sølvgade which is ex. water, heating and electricity.

Ownership as an alternative

Buying an apartment constitute an obvious alternative to renting. Students will often rely on their parents to buy the apartment initially, however, high apartment prices have made it increasingly difficult to enter the market. The attractiveness of buying an apartment as an investment have been further reduced by adverse legislative initiatives. In January 2018, the rules governing the ability to obtain mortgage financing were tightened, making it more expensive for people in lower income brackets, to finance apartment purchases. Furthermore, the tax advantage associated with parent-purchased apartments is about to be reduced significantly. The Exhibit below illustrates the negative growth in number of parent-purchases.

Exhibit: Development in parent-purchased apartmetns (indexed to 2011)



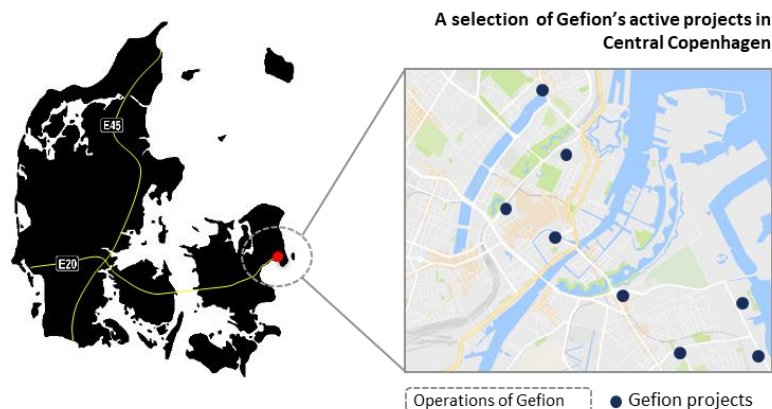
Source: RealKredit Danmark

GEFION GROUP

Introduction

Gefion Group A/S specialises in developing and converting properties in the Greater Copenhagen area. Projects are developed for residential, student housing and retail purposes with the intention of selling them to institutional investors or individuals. The Group was founded in 2013 by two experienced real estate developers: CEO Thomas Færch and Vice President Henrik Nissen. The Group has a strong track record with 14 successful projects, mainly conversion projects, in Copenhagen.

Exhibit: Gefion's geographical reach



Source: Company information

Gefion Group targets unique properties and sites, which they develop and sell, either under pre-sale contracts direct to end-users or to investors on buy-to-let basis. Today, they are market leaders within the niche of converting offices to residential units, where they succeeded to systematise and professionalise the concept. The Group currently has 11 active projects in the Greater Copenhagen area.

Business Strategy and Concept

Gefion Group's business strategy and business concept is to develop and deliver good, high-quality buildings to users and the local community. The development procedure is through all phases kept at a professional level. This is to ensure an end outcome that is satisfying for residents, partners and investors. The primary area of work is to convert existing office buildings and commercial buildings into residential facilities and to develop new properties. This amounts to a total of four business areas.

Exhibit: Gefion's four main business areas



Source: Company information

Today, Gefion is among the market leaders in building conversions in the Greater Copenhagen area, while they continue to develop their capabilities in new builds with multiple exciting projects.

Value Chain and Risk Mitigation

Gefion recognises the risk of the industry and makes a deliberate effort to mitigate all significant risks throughout the value chain.

Exhibit: Project optimisation and risk mitigation



Source: Company information

Acquisition of land and/or property

Acquisitions of land or properties are as a main rule conditional on zoning plan approval.

Building permit and design

In the pre-dialogue with the municipality, issues are sorted out prior to building permit application – i.e. aligning Gefion and the municipality before submitting the application. Furthermore, risk mitigating takes place through the longstanding relationships with external architects, which ensure that Gefion and the architects are aligned in the design. The design lays the foundation for the pre-dialogue and building permit approval.

Branding strategy

The branding strategy includes extensive market research, identification of customer needs and target segment analysis. This ensures a targeted branding strategy, mitigating the risk of branding being too narrow or too wide. Furthermore, analysis of competitors and the housing market is carried out, in order to structure the branding according to the specific characteristics of the project in question. E.g. the attractive location in the specific project.

Marketing and sales

In the marketing and sales value chain, Gefion mitigates risk in both project sales and investor sales (yield cases):

- Project sales: Buyer provides a 100% bank guarantee or a prepayment
- Investor sales: Generally, investors make a down payment of 20%















Construction

The majority of the projects use fixed price turnkey contracts or thorough construction management. Risk is mitigated through only entering contracts with solid counterparties. Furthermore, the project must not constitute either a too small or too large share of the supplier's total project pipeline.

Track Record

Since incorporation in 2013, Gefion has successfully completed 14 projects, totalling 54,700 sqm. Conversions have been the main focus of the Group constituting 85% of completed projects.

Exhibit: Track record

 <p>Esthersvej 12, Hellerup</p> <p>New build</p> <p>601 m² ✓ 2014</p>	 <p>Nørre Voldgade 48, Copenhagen K</p> <p>Conversion</p> <p>2,000 m² ✓ 2015</p>	 <p>Lipkesgade 5, Copenhagen Ø</p> <p>Conversion</p> <p>2,100 m² ✓ 2015</p>	 <p>Trommesalen 3, Copenhagen V</p> <p>Conversion</p> <p>2,100 m² ✓ 2015</p>	 <p>St. Kongensgade 53-55, Copenhagen K</p> <p>Conversion</p> <p>5,500 m² ✓ 2016</p>	 <p>Lundsgade 9, Copenhagen Ø</p> <p>Conversion</p> <p>1,650 m² ✓ 2016</p>
 <p>Nr. Farimagsgade 43, Copenhagen K</p> <p>Conversion</p> <p>6,000 m² ✓ 2016</p>	 <p>Rosenvængets Allé 20, Copenhagen Ø</p> <p>Conversion</p> <p>2,350 m² ✓ 2017</p>	 <p>Stockholmegade 59, Copenhagen Ø</p> <p>Conversion</p> <p>3,500 m² ✓ 2018</p>	 <p>Upsalagade 20, Copenhagen Ø</p> <p>Conversion</p> <p>3,200 m² ✓ 2018</p>	 <p>Blegdamsvej 28-32, Copenhagen N</p> <p>Conversion</p> <p>5,821 m² ✓ 2018</p>	 <p>Tobaksvejen 2c, Søborg</p> <p>Conversion</p> <p>5,600 m² ✓ 2018</p>
<div>  <div> 14 Projects </div> </div> <div> m² 54,700 Square meters </div> <div>  <div> 85 % Conversion </div> </div> <div> ... completed in the course of four years </div>					

Source: Company information

1. *Esthersvej 12, Hellerup*: In 2014, Gefion Group developed five climate-friendly townhouses in three levels with floor areas ranging from 117 to 125 sqm.
2. *Nørre Voldgade 48, Copenhagen K*: Establishment of 18 modern and attractive freehold apartments and one freehold commercial unit in a former office building with a total area of 2,000 sqm completed in Q1 2015.
3. *Lipkesgade 5, Copenhagen Ø*: A five floors boarding house of a total area of 2,100 sqm were converted into 19 freehold apartments. Completed in Q3 2014 by sale to a private investor.
4. *Trommesalen 3, Copenhagen V*: Development of a central office building into 19 apartments and a new penthouse level with a large rooftop terrace, with a total floor area of 2,100 sqm. The project was completed in Q4 2014 by sale to a private investor.
5. *Store Kongensgade 53-55, Copenhagen K*: Refurbishment together with a private investor of a unique office building from 1794 located close to Kongens Nytorv and Strøget
 - Originally the property had a floor area of 4,500 sqm, while Gefion added additionally 1,000 sqm. Upon completion, the building comprised 50 freehold units
 - The project was sold to a private investor in 2015 and completed in Q2 2016
6. *Lundsgade 9, Copenhagen Ø*: Development of an exclusive 1,650 sqm office building overlooking the Lakes and containing 15 refurbished apartments all of which have balconies. The project was completed and sold in Q2 2016.
7. *Rosenvængets Allé 20, Copenhagen Ø*: A unique office building of 2,350 sqm converted into 24 new residential freehold units. The freehold units were offered for sale in the summer of 2016 and all units were sold by January 2017.
8. *Nørre Farimagsgade 43-49, Copenhagen K*: Refurbishment and development of 6,000 sqm residential floor area equivalent to 54 apartments. Sold to a private investor Q4 2016.

9. *Stockholmsgade 59*: In 2018, Gefion completed the conversion of a previous office building into 3,500 sqm of exclusive residential units overlooking Østre Anlæg.
10. *Upsalagade 20*: In the centre of Østerbro, Gefion acquired an office building, expanded and converted it into 3,200 sqm / 24 units of high-end residential property. The project was completed in 2018.
11. *Blegdamsvej 28-32*: Gefion acquired, converted and expanded an office building into 5,821 sqm of residential units in central Copenhagen. The project was completed in 2018.
12. *Tobaksvejen 2c*: In 2018, Gefion converted an office building into 175 modern student housing units. The property was developed under a turnkey contract and was fully subscribed. Units are leased at between DKK 4,845 and DKK 6,650 per month depending on size.
13. *Ib Schønbergs Allé 1*: Gefion acquired a plot and developed it into 228 units for student housing completed in 2018. The project was sold to an investor in 2016.
14. *Niels Juels Gade 9-13*: Centrally located office building located opposite the central bank of Denmark. Sold to institutional investor in 2019.

Case Study – Tobakskollegiet

Gefion acquired a combined factory and office building with the ambition to convert it into 175 modern student housing units. The project is located in ‘Tobaksbyen’, a new and vibrant area in Søborg with great connectivity to the Copenhagen city centre. The size of the student housing units ranges from 27-51 sqm and are leased at between DKK 4,845 and DKK 6,650 per month (equivalent to DKK 2,037 per sqm annually). The property was redeveloped under a turnkey contract with Raunstrup Byggeri A/S and was completed medio 2018. The first residents moved in on time, 1st of September 2018.

The investment was fully subscribed during 2018. Expected return on paid-in equity amounts to 11% annually (before tax), while investors can expect to receive annual dividends of 3.75% on average. Gefion provides a 36-month lease guarantee. Furthermore, each minimum investment entitles the investor to one occupancy right.

Exhibit: Tobakskollegiet – Key figures and illustration

<u>PROPERTY HIGHLIGHTS</u>	<u>INVESTMENT HIGHLIGHTS</u>	
TYPE	PROJECT VALUE	
Student housing	DKK 239.9m	
SIZE	EQUITY	
175 units / 5,562 sqm	DKK 67.8m	
RENT PER UNIT	NET YIELD	
DKK 5,500 (average)	~4.0%	
LOCATION	RETURN (PRE-TAX)	
Tobaksbyen, Søborg	11% p.a.	
COMPLETED	OCCUPANCY RIGHT	
2018	One per min. investment ¹	

Source: Company information

MANAGEMENT

The real estate developer, Gefion Group, the ultimate owner of the Issuer, has a two-tier management structure consisting of the Board of Directors and the Management Board. Further, the management has a support team. The registered business address of Gefion Group is Østergade 1, 2nd floor, DK-1100 Copenhagen K, Denmark.

Board of Directors

The Board of Directors consists of Peter Køhler Lindegaard (COB), Per Mikael Jensen, Morten Gaardboe, and Jens-Erik Corvinus.

Management Board

The Management Board consists of Thomas W. Færch (CEO), Jens Rytter (CFO), and Carsten Lygum(COO) and Henrik Nissen (VP).

Biographies

Board of Directors

Peter Køhler Lindegaard is the Chairman of the Board of Directors

Experience includes being Head of Investment at Industriens Pension with special responsibility for quoted investments. Peter has a broad and in-depth experience within the investment and pension field, as he has held positions in both Danica Pension and Nordea. This experience is further supported by his most recent position as Senior Portfolio Manager in Accunia. The latter are specialized in private debt, high yield, and structured credit.

Per Mikael Jensen is a member of the Board of Directors

Experience includes 30 years of working in the media industry. Per was initially a journalist but spent 20 years in various management positions at two of the leading Danish newspapers, Jyllands-Posten and Politiken. He was CEO of TV2 Denmark in 2006, one of Denmark's largest media providers, and later he was CEO of Metro International.

Today Per is an advisor for business executives, company boards and business owners in Denmark and abroad.

Morten Gaardboe is a member of the Board of Directors

Self-employed business man since 1991. In the last 12 years, Morten has acted as owner and CEO of Glascom A/S, a wholesale company in the glass industry. Additionally, Morten is Chairman of the board of Sv Aa Nielsen, a member of the board of PTO Teknik ApS, Spar Nord Bank A/S and Slagelse/Sorø branch of the Danish Association of People with Learning Difficulties (LEV).

Jens-Erik Corvinus is a member of the Board of Directors

Jens-Erik has spent more than 42 years in the Danske Bank Group and has through this experience gained a significant insight into the financial sector. Jens-Erik has spent recent years, serving as a professional board member, mainly in the real estate sector.

Management Board

Thomas W. Færch is the Chief Executive Officer of Gefion Group A/S

As the CEO of Gefion Group, Thomas has the overall responsibility of the daily operations in the company. Thomas has experience within all aspects of real estate development, business management, and cash management, as he was partner in a law firm prior to becoming CEO of Gefion Group.

Carsten Lygum is the Chief Operating Officer of Gefion Group A/S

One of the main responsibilities for Carsten as COO is human resources. In addition, he is in charge of the practical realisation of the Group's development projects from purchase to handover. Carsten Lygum is educated urban and construction engineer and officer in the Royal Danish Army and has worked on housing and business development, among others, for Carlsberg Byen, MT Højgaard and SJÆLSØ Gruppen.

Jens Rytter is the CFO of Gefion Group A/S

Jens is CFO of Gefion Group and responsible for accounts, financial management, project budgets and operating budgets. Jens has a background as a state authorized public account followed by subsequent employment and management roles in major Danish companies such as Carlsberg, Ørsted and A. P. Møller Mærsk Group.

Henrik Nissen is the Vice President of Gefion Group A/S

Within the title of Vice President, Henrik serves as Head of Development, and he has the overall responsibility for the identification of properties with development potential. Further to this, he is responsible for the subsequent purchase of said properties. Additionally, Henrik has special responsibilities, as he is in charge of defining the Group's strategies, objectives, and visions going forward. He has worked on property development in Copenhagen for more than 15 years and has a strong network in the property industry.

PRINCIPAL SHAREHOLDERS

As of the date of this Company Description, the following individuals and/or entities hold more than five per cent. (5 %) of the share capital or the voting rights of the Issuer:

Shareholder	Percentage of the share capital of the Issuer	Percentage of the voting rights of the Issuer
Gefion Group A/S	100%	100%

As of the date of this Company Description, the following individuals and/or entities hold more than five per cent. (5 %) of the share capital or the voting rights of Gefion Group A/S:

Shareholder	Percentage of the share capital of Gefion Group	Percentage of the voting rights of Gefion Group
MHAT ApS	50.00 %	50.00 %
TWF Holding ApS	50.00 %	50.00 %

ADDITIONAL INFORMATION

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Related Parties

As of the date of this Company Description, the following individuals and/or entities are related to the Issuer:

Individual/Entity	Relationship with the Issuer
Gefion Group A/S	Ultimate Parent Company
Thomas W. Færch	Major (indirect) shareholder and Chief Executive Officer of Gefion Group A/S. Sole member of the Management Board of Issuer.

Transactions

Gefion Group A/S will render various holding company services to the Issuer under the terms of company management agreements, which services will include but not be limited to accounting and bookkeeping services, legal services, contract handling and other administrative services and will charge a yearly company management fee for such services.

Gefion Group A/S will also provide project development services to the Issuer for the duration of the Project and will charge a monthly development fee for such services.

The above services will be provided on arm's length basis and the fees payable by the Issuer will not exceed fees payable to third party providers of similar services in the Danish real estate development market. Total fee payable to Gefion Group A/S is DKK 2,500,000 including VAT.

Gefion Group A/S or a subsidiary will make outlays for registration fee (Owners mortgage on the Properties) of about DKK 3,600,000 on behalf of the Issuer. After the issuance of the Bonds the Issuer will reimburse this payment.

Remuneration to the Management Board

Thomas W. Færch does not receive any remuneration from the Issuer for his position as member of the Management Board.

Intercompany transactions have been eliminated in accordance with the accounting policies. All transactions have taken place on an arm's length basis.

CERTAIN INSOLVENCY CONSIDERATIONS AND LIMITATIONS ON THE VALIDITY AND ENFORCEABILITY OF THE SECURITY INTERESTS

Insolvency Proceedings under Danish Law

The Issuer is organised under the laws of Denmark. Accordingly, any insolvency proceedings with respect to the Issuer may proceed under, and be governed by, the insolvency laws of Denmark. These laws may adversely affect the enforcement of the Bondholders' rights under the Bonds and may not be as favorable to their interests as a creditor as the laws of other jurisdictions.

In a Danish bankruptcy, the debtor's assets are liquidated and the proceeds are distributed to the creditors based on a priority of claims. Such liquidation may not yield the same value to the creditors as a reorganisation and sale of a going concern.

As a general rule, the debtor or any creditor may present a petition for bankruptcy. A bankruptcy requires the bankruptcy court to be satisfied that the debtor is insolvent based on a statement of the debtor's liquidity status and that the insolvency is not of a purely temporary nature. A bankruptcy petition by a creditor is barred if the creditor is adequately protected in the event of the debtor's insolvency by means of good and valid security.

If bankruptcy proceedings are commenced, payments under the Bonds may be delayed and may not be made in full. Provisions on avoidance and set off may adversely affect the enforcement of rights under the Bonds. Enforcement of security interests is restricted under Danish bankruptcy laws although enforcement of assets located in Denmark may be enforced after the bankruptcy trustee having been granted the opportunity to make a valuation of those assets. Other assets may only be enforced by the bankruptcy trustee, however, mortgagees and execution creditors may demand enforcement of such security interests six months after the declaration of bankruptcy.

Danish insolvency law also includes a scheme for reconstruction of insolvent companies. In broad terms, this scheme provides for reconstruction of an insolvent company by transfer of the business in full or in part, by a compulsory composition/moratorium or by a combination of both. During the reconstruction procedure, creditors are restricted in their ability to enforce their claims, but valid and binding security may be enforced under certain conditions. If a restructuring procedure fails, bankruptcy proceedings will be initiated automatically against the debtor.

The Danish bankruptcy scheme is based on the fundamental principle of *pari passu* satisfaction of the debtor's unsecured creditors. However, claims against the debtor are subject to priority ranking, giving first priority to costs incurred during the bankruptcy proceedings, including the fee for the bankruptcy trustee. Second rank is given to claims incurred during preceding restructuring proceedings and other costs incurred with the approval of the reconstructor. Third rank, "privileged claims," are mainly salary claims, including salary income taxes (relating to salary claims being filed) but excluding salary claims from the top management (in Danish: *direktører*), who are not salaried employees (in Danish: *funktionærer*). Fourth rank is given to suppliers to the debtor who have, within 12 months of the onset of insolvency, delivered goods to the debtor with the applicable duties prepaid by the relevant supplier, but only (i) as regards certain specifically listed duties, and (ii) to the extent of the supplier's claim for reimbursement of the duties prepaid.

After fulfillment, if any, of these priority ranking claims, in the above order, any excess proceeds will be distributed among all ordinary, unsecured creditors. Interest accrued on ordinary, unsecured claims will rank as ordinary claims up to the date of the bankruptcy order, after which date the accrued interest will rank as a deferred claim. Deferred claims include, among others, subordinated loans and penalties.

In the event of bankruptcy, claims in foreign currencies will be converted into Danish kroner using the relevant currency rate as of the date of the bankruptcy order.

The status of a claim is dependent upon express statutory authority (except for subordinated loans).

Voidable Transactions

Danish bankruptcy law contains several provisions enabling the bankruptcy trustee to initiate proceedings to have certain transactions prior to the bankruptcy avoided. Some avoidance provisions require the payment or security to be granted within three months before the date of the bankruptcy petition being filed. In some cases, however, avoidance can be claimed for payments or security granted within two years or more before the date of the bankruptcy petition being filed.

Under Danish bankruptcy law, payments made by a Danish company could be void if, among other things (i) payments are made before they are due or with an amount that has a distinctly impairing effect on such Danish company's ability to pay its debts, provided the payment does not appear to be ordinary; (ii) payments are made after the date when a petition for bankruptcy was filed, or (iii) payments are made in an improper way that favors a creditor to the detriment of the other creditors, provided that such Danish company was or became insolvent by the payment and the beneficiary knew or ought to have known about the insolvency and the circumstances that made the payment improper.

Granting of security could be void under Danish bankruptcy law if, among other things (i) security for the debts was not granted to the creditor before or at the time the debt was incurred or (ii) security was not perfected no later than without undue delay after the time the debt was incurred. The timing requirements in respect of granting of security and perfection are interpreted very strictly under Danish law and should be considered carefully by the creditor.

Under Danish bankruptcy law the issuance of guarantees may be subject to avoidance if, among other things (i) the issuance was made at a time when the issuer was insolvent, (ii) the issuance is without due consideration and/or (iii) between closely related parties.

A claim for avoidance can be made against the main debtor or against the beneficiary. Any proceeds relating to a voidable claim are considered an asset of the bankruptcy estate and are to be distributed to the creditors in accordance with the rules governing priority of debts in bankruptcy.

Limitations on the Validity and Enforceability of the Security Interests

It is a requirement under Danish law that a security provider obtains an adequate corporate benefit from granting of security. This is due to a requirement under Danish law that the management of a company must always ensure a proper management of the company's assets.

Further, the management of the company is obliged to act in accordance with the company's individual interests, including consideration of the company's financial position, the benefits the company will obtain through and the risks related to the granting of security, assessment of the debtor, securing that the arrangement is on market terms, etc. If such benefit is not obtained, the directors of a Danish security provider may be subject to civil liability and/or the security interest may be null and void. It is not entirely clear under Danish case law to what extent such corporate benefit is established when a subsidiary secures debt of a direct or indirect parent company.

The Danish Companies Act furthermore contains restrictions on financial assistance by Danish limited companies. Danish companies are generally prohibited from granting loans, guarantees or security in connection with the financing or refinancing of the acquisition of, or subscription for, their own shares or shares in their direct or indirect parent companies and any such loan, guarantee or security will be invalid and unenforceable. To the extent that any such acquisition debt cannot be separated from other debt, such other debt may be deemed acquisition debt and any loans, guarantees or security granted by Danish companies for such other debt may then also be invalid or unenforceable. The prohibition on financial assistance also extends to non-Danish Subsidiaries of Danish companies even if, under the local financial assistance and other laws otherwise applicable to such non-Danish Subsidiaries, the relevant guarantee or security could validly be granted.

If loans, guarantees or security are granted in violation of the prohibitions above, such loans, guarantees or security will be invalid and unenforceable and must be repaid with interests. The directors may be subject to liability for losses suffered in this regard.

Enforcement of Security Interests outside bankruptcy

The parties to a security agreement can include contractually agreed enforcement procedures and, if there are no bankruptcy proceedings, the agreed procedures will be binding on the parties. However, sales of assets may be voidable in a later bankruptcy proceeding if the assets were transferred below market value.

The agreed enforcement procedures are not binding on third parties such as creditors that have registered an attachment or valid security against the encumbered assets.

Such third party attachments and rights can only be cleared through a court administered public auction.

In the absence of specifically agreed enforcement procedures, Danish law requires conduct of a public auction in accordance with the Danish Administration of Justice Act (in Danish: *Retsplejeloven*).

Pledges of shares and accounts as well as security assignments of receivables may be enforced without an execution order. However, at least eight days prior notice requesting the debtor to pay the secured debt must be given to the pledgor by registered mail unless a sale is necessary to avoid or reduce a loss.

Perfection of Security Interests

The collateral governed by Danish law will be granted and perfected, *inter alia*, in favor of the Bondholders represented by the Security Agent. Rules have been enacted in the Danish Capital Markets Act (in Danish: *lov om kapitalmarkeder*) allowing representatives to hold security on behalf of bondholders and the Security Agent may be appointed as representative pursuant to the Danish Capital Markets Act. There is not yet any case law relating to this legislation confirming the right of the representative to enforce on behalf of the holders of the Bonds so there is a risk that enforcement may be delayed.

The collateral governed by Danish law will be perfected by the Issuer in favor of the Security Agent and some of the collateral may only be perfected after the occurrence of certain events having occurred.

Absent perfection, the holder of the security interest may not be able to enforce its rights in the collateral against third parties, including a bankruptcy administrator and other creditors who claim a security interest in the same collateral. Moreover, if perfection occurs only after the occurrence of certain events of default it will entail a hardening period.

Under Danish law, the ranking of security rights is determined by the date on which the relevant act of perfection has been taken, and if a security interest created later in time over that same collateral, but in respect of which the act of perfection is completed prior to perfection of the pre-existing security interest then the security interest created later will have priority.

GG St. Kongensgade 100 og 106 P/S

Østergade 1, 1.
1100 København K
Business Registration No
38306847

Annual report 2018

The Annual General Meeting adopted the annual report on 24.05.2019

Chairwoman of the General Meeting

Name: Camila Dalum

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Entity details

Entity

GG St. Kongensgade 100 og 106 P/S
Østergade 1, 1.
1100 København K

Central Business Registration No (CVR): 38306847
Registered in: København
Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Camilla Dalum
Thomas Færch
Jens Rytter

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 GG St. Kongensgade 100 og 106 P/S 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, 24.05.2019

Executive Board

Thomas Færch
CEO

Board of Directors

Camilla Dalum

Thomas Færch

Jens Rytter

Independent auditor's report

To the shareholders of GG St. Kongensgade 100 og 106 P/S

Opinion

We have audited the financial statements of GG St. Kongensgade 100 og 106 P/S 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.

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 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, 24.05.2019

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 result from ordinary activities after tax is a loss of DKK 4.698 against a loss of DKK 20.713 last year. The management consider the result as expected.

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>2017 DKK</u>
Gross loss		(4.698)	(20.713)
Profit/loss for the year		<u>(4.698)</u>	<u>(20.713)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>(4.698)</u>	<u>(20.713)</u>
		<u>(4.698)</u>	<u>(20.713)</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Work in progress		124.655.508	95.637.425
Inventories	2	124.655.508	95.637.425
Receivables from group enterprises		0	166.667
Other receivables		6.233	0
Receivables		6.233	166.667
Cash	3	8.824	3.866.274
Current assets		124.670.565	99.670.366
Assets		124.670.565	99.670.366

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		1.000.000	1.000.000
Retained earnings		<u>(25.411)</u>	<u>(20.713)</u>
Equity		<u>974.589</u>	<u>979.287</u>
Deposits		<u>0</u>	<u>11.740</u>
Non-current liabilities other than provisions		<u>0</u>	<u>11.740</u>
Trade payables		79.484	140.628
Payables to group enterprises		123.560.862	98.511.874
Other payables		55.625	20.000
Deferred income		<u>5</u>	<u>6.837</u>
Current liabilities other than provisions		<u>123.695.976</u>	<u>98.679.339</u>
Liabilities other than provisions		<u>123.695.976</u>	<u>98.691.079</u>
Equity and liabilities		<u>124.670.565</u>	<u>99.670.366</u>
Staff costs	1		
Contingent liabilities	4		
Group relations	5		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1.000.000	(20.713)	979.287
Profit/loss for the year	0	(4.698)	(4.698)
Equity end of year	1.000.000	(25.411)	974.589

Notes

	<u>2018</u>	<u>2017</u>
1. Staff costs		
Average number of employees	<u>0</u>	<u>0</u>

2. Inventories

Inventories includes capitalized interest expenses and financing costs of DKK 2.633.619 (2017: DKK 15.202.149).

3. Cash

Cash includes DKK 8.824 where the use is restricted to specific purposes, such as interest payments, project development or construction or pledged as security.

4. Contingent liabilities

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.

5. 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.

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. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, project costs 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.

Accounting policies

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities.

Balance sheet

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 the project period. Where considered necessary, the projects have been written down to a lower value, and the 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.

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.

Deferred income

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

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Jens Rytter

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-316289497452

IP: 185.81.xxx.xxx

2019-05-24 08:19:02Z

NEM ID 

Lars Andersen

Revisor

Serienummer: CVR:33963556-RID:30574497

IP: 83.151.xxx.xxx

2019-05-24 09:00:35Z

NEM ID 

Thomas Færch

Adm. direktør

Serienummer: PID:9208-2002-2-569769293404

IP: 185.81.xxx.xxx

2019-05-24 10:10:47Z

NEM ID 

Thomas Færch

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-569769293404

IP: 185.81.xxx.xxx

2019-05-24 10:10:47Z

NEM ID 

Navnet er skjult (CPR valideret)

Bestyrelsesformand

Serienummer: PID:9208-2002-2-498475507249

IP: 185.81.xxx.xxx

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NEM ID 

Navnet er skjult (CPR valideret)

Dirigent

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BOND TERMS

FOR

GG St. Kongensgade 100 og 106 P/S

Floating rate senior secured EUR 32,000,000 bonds 2019/2020

ISIN DK0030444401

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SCHEDULE 1 COMPLIANCE CERTIFICATE

SCHEDULE 2 RELEASE NOTICE – ESCROW ACCOUNT

BOND TERMS	
ISSUER:	GG St. Kongensgade 100 og 106 P/S, a company existing under the laws of Denmark with registration number 38306847
BOND TRUSTEE:	Nordic Trustee A/S, a company existing under the laws of Denmark with registration number 34705720.
DATED:	9 May 2019
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

1. INTERPRETATION

1.1 Definitions

The following terms will have the following meanings:

“**Affiliate**” means, in relation to any specified person:

- (a) any person which is a Subsidiary of the specified person;
- (b) any person who has Decisive Influence over the specified person (directly or indirectly);
and
- (c) any person which is a Subsidiary of an entity who has Decisive Influence (directly or indirectly) over the specified person.

“**Annual Financial Statements**” means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with GAAP, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the management board.

“**Attachment**” means each of the attachments to these Bond Terms.

“**Bond Terms**” means these terms and conditions, including all Attachments hereto which shall form an integrated part of the Bond Terms, in each case as amended and/or supplemented from time to time.

“**Bond Trustee**” means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“**Bond Trustee Agreement**” means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for its obligations relating to the Bonds.

“Bondholder” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders’ rights*).

“Bondholders’ Meeting” means a meeting of Bondholders as set out in Clause 15 (*Bondholder’s Decisions*)

“Bonds” means the debt instruments issued by the Issuer pursuant to these Bond Terms.

“Business Day” means a day on which the relevant CSD settlement system is open and which is a TARGET Day.

“Business Day Convention” means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (Modified Following).

“Call Option” has the meaning given to it in Clause 10.2 (*Voluntary Redemption – Call Option*).

“Call Option Repayment Date” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“Capital Markets Act” means the Capital Markets Act of 8 June 2017 no. 650 of the Relevant Jurisdiction as amended or superseded from time to time.

“Change of Control Event” means the occurrence of an event or series of events whereby a person or group of persons acting in concert (other than current ultimate shareholders of the Ultimate Parent) gaining Decisive Influence over the Issuer or the Parent Company.

“Completion” means the date of refinancing of the Structural Intra-Group Loan.

“Compliance Certificate” means a statement substantially in the form as set out in Attachment 1 hereto.

“Construction Account” means a bank account held with Handelsbanken (Denmark) blocked and pledged with first priority as security for the Issuer’s obligations under the Finance Documents on which the Issuer is obligated to place its excess cash, except for cash permitted to be placed on the Construction Security Account and/or the Operating Account, and from which funds may only be released with the consent of the Project Monitor and the Bond Trustee. The Project Monitor and the Bond Trustee shall only grant its consent for the release of funds from this account if funds are released for the purpose of the Project, including *inter alia*, for (i) construction financing relating to the Project and (ii) prepayment, repayment or to fund the purchase or redemption of the Bonds or any part thereof.

“Construction Security Account” means a bank account held with Handelsbanken (Denmark) blocked and pledged with first priority as security for the Issuer’s obligations towards the contractor of the Project as security for the obligations towards the contractor under the construction contract relating to the Project.

“**CSD**” means the central securities depository in which the Bonds are registered, being VP Securities A/S.

“**Decisive Influence**” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors or other central governing body of that other person.

“**Default Notice**” means a written notice to the Issuer as described in Clause 14.2 (*Acceleration of the Bonds*).

“**Default Repayment Date**” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“**Escrow Account**” means an account in the name of the Issuer, pledged and blocked on first priority as security for the Issuer’s obligations under the Finance Documents. The Escrow Account shall be established prior to the issuance of the Bonds and all proceeds (net of costs and expenses) shall be transferred to the Escrow Account in connection with issuance of the Bonds. The amount on the Escrow Account shall only be used according to the "Use of proceeds".

“**Escrow Account Pledge**” means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

“**Event of Default**” means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

“**Exchange**” means

- (a) Nasdaq Copenhagen A/S’s regulated market;
- (b) First North Bond Market Copenhagen; or
- (c) any regulated market (as such term is understood in accordance with the Markets in Financial Instruments Directive (Directive 2004/39/EC) or the Markets in Financial Instruments Directive 2014/65/EU (MiFID II), as applicable) located in the Nordic countries.

“**Existing Bondholders**” means the bondholders under the Existing Outstanding Bonds.

“**Existing Outstanding Bonds**” means the senior secured bonds in an amount of DKK 100,000,000 or its equivalent in NOK, SEK and EUR with ISIN: SE0010101873, NO0010798515 and NO0010798523 issued by the Parent Company and the second lien bonds in an amount of DKK 40,000,000 or its equivalent in NOK, SEK and EUR with ISIN: SE0010101881, NO0010798598 and NO0010798606.

“Finance Documents” means these Bond Terms, the Bond Trustee Agreement, any Transaction Security Document and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed and debt balances at banks or other financial institutions;
- (b) any amount raised under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a finance lease;
- (e) receivables sold or discounted (other than receivables sold on a non-recourse basis provided that the requirements for de-recognition under GAAP are met);
- (f) any derivative transaction entered into (when calculating the value of any derivative transaction, only the marked to market value or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company if such liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under GAAP;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;
- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under GAAP; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs a) to j) above.

“Financial Reports” means the Annual Financial Statements and the Interim Accounts.

“Financial Support” means any loans, guarantees, Security or other financial assistance (whether actual or contingent).

“First Call Date” means twelve (12) months after the Issue Date.

“GAAP” means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, International Financial Reporting Standards (IFRS) and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof), in force from time to time.

“Green Bond Framework” means the Issuer’s green bond framework.

“Group” means the Issuer and its Subsidiaries from time to time.

“Group Company” means any person which is a member of the Group.

“Initial Nominal Amount” means the nominal amount of each Bond as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“Insolvent” means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Council Regulation (EC) no. 1346/2000 on insolvency proceedings (as amended).

“Interest Payment Date” means the last day of each Interest Period.

“Interest Period” means, subject to adjustment in accordance with the Business Day Convention, a period of three (3) months, with the first Interest Period starting on the Issue Date, provided however that an Interest Period shall not extend beyond the Maturity Date.

“Interest Rate” means the percentage rate per annum which is the aggregate of the Reference Rate plus the Margin

“Interim Accounts” means the unaudited unconsolidated and consolidated semi-annual financial statements of the Issuer for the semi-annual period ending on 30 June and 31 December in each year prepared in accordance with GAAP.

“ISIN” means International Securities Identification Number – the identification number of the Bonds.

“Issue Date” means [•] 2019.

“Issuer” means the company designated as such in the preamble to these Bond Terms.

“Issuer’s Bonds” means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

“Longstop Date” means the date falling three (3) months after the Issue Date.

“Manager” means Pareto Securities, Danmark, Filial af Pareto Securities AS, Norge, CVR-no. 34736634 having its address at Sankt Annæ Plads 13, 1250 København K, Denmark.

“Margin” means [6.50 – 7.00] per cent.

“Material Adverse Effect” means a material adverse effect on:

- (a) the ability of the Issuer to perform and comply with its obligations under any of the Finance Documents; or
- (b) the validity or enforceability of any of the Finance Documents.

“Maturity Date” means the date falling eighteen (18) months after the Issue Date, adjusted according to the Business Day Convention.

“Nominal Amount” means the Initial Nominal Amount less the aggregate amount by which each Bond has been partially redeemed pursuant to Clause 10 (*Redemption and repurchase of Bonds*).

“Operating Account” means an operating bank account held with Handelsbanken (Denmark) on which the Issuer is allowed from time to time to hold an amount of up to DKK 1,000,000.

“Outstanding Bonds” means any Bonds issued in accordance with these Bond Terms to the extent not redeemed or otherwise discharged.

“Overdue Amount” means any amount required to be paid by the Issuer under any of the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

“Parent Company” means GG Development 3 ApS, a company existing under the laws of Denmark with registration no. 37043079.

“Paying Agent” means the legal entity appointed by the Issuer to act as paying agent with respect to the Bonds in the CSD, being VP Securities A/S.

“Payment Date” means any Interest Payment Date or any Repayment Date.

“Permitted Disposal” means any disposal:

- (a) of assets (other than shares, businesses or intellectual property) in exchange for other assets reasonably comparable or superior as to type, value or quality and provided that the asset received is subject to the same level of Security as the assets they replace (ignoring, for this purpose, the restarting of any hardening periods);
- (b) of assets (other than shares, businesses or intellectual property) which are obsolete or which are no longer required for the relevant person’s business or operations, for a consideration in cash;

- (c) arising as a result of any Permitted Security or Permitted Guarantee;
- (d) of properties or property units to third party buyers provided that the purchase price is paid in cash to the Construction Account upon receipt hereof by a Group Company; and
- (e) of assets for a consideration which (when aggregated with consideration for any other sale, lease, licence, transfer or other disposal not allowed under the preceding paragraphs) does not exceed an aggregate amount of DKK 5,000,000 (or its equivalent in other currencies) in any financial year.

"Permitted Financial Indebtedness" means:

- (a) any Financial Indebtedness incurred pursuant to the Finance Documents;
- (b) any Financial Indebtedness under the Structural Intra-Group Loan until Completion;
- (c) any Financial Indebtedness relating to encumbrances (*pantehæftelser*) registered on the Properties on the Issue Date and repaid no later than the Completion Date by the Issuer;
- (d) Financial Indebtedness related to hedging of interest rates or currency fluctuations in the ordinary course of business and on a non-speculative basis;
- (e) Financial Indebtedness arising out of any Permitted Loan, Permitted Guarantee or Permitted Security;
- (f) Financial Indebtedness incurred under any pension or tax liabilities in the ordinary course of business;
- (g) any Financial Indebtedness in respect of prepaid rent or deposits made by tenants under a lease agreement;
- (h) any Financial Indebtedness incurred under the Permitted Ultimate Parent Loan and the Permitted STK Holding Loan.
- (i) any Financial Indebtedness fully subordinated to the obligations in respect of the Bonds;
- (j) arising as a result of a refinancing of the Bonds in full and

any other Financial Indebtedness not permitted by the preceding paragraphs and the aggregate outstanding principal amount of which does not exceed an aggregate amount of DKK 5,000,000 (or the equivalent in other currencies) at any time.

"Permitted Guarantees" means:

- (a) any guarantee obligation arising under or out of the Finance Documents;
- (b) any guarantee securing performance under any contract by, or which is in respect of an underlying obligation of, a Group Company, which, in each case, is entered into in the ordinary course of business (including any turnkey contract or other agreement relating to development of the Properties) and in connection with the Project;

- (c) guarantees given by a Group Company to a landlord in its capacity as such;
- (d) customary indemnities given in mandate, engagement and commitment letters;
- (e) guarantee granted in favour of the Municipality of Copenhagen to secure the payment of costs involved with the development of common areas in the neighbourhood of the Properties; and
- (f) any guarantees or indemnities not permitted by the preceding paragraphs and the outstanding principal amount of which does not exceed DKK 5,000,000 (or its equivalent in other currencies) in aggregate of the Group at any time.

"Permitted Loan" means:

- (a) deposits of cash or cash equivalent investments with financial institutions for cash management purposes or in the ordinary course of business;
- (b) any Financial Indebtedness or loan made or credit constituting a subordinated loan (any new capital raised by any Group Company by way of loans or credits which shall have a maturity after the Maturity Date, be contractually subordinated to the Bonds and include terms that entails that such loans or credits are structured as bullet loans and that interest is only payable after the Maturity Date);
- (c) any Financial Indebtedness or loan made or credit granted to the Issuer or from the Issuer in connection with financing the Project and/or for general working capital purposes of the Group;
- (d) the Structural Intra-Group Loan until Completion;
- (e) any Financial Indebtedness or Financial Support arising out of any Permitted Guarantee or Permitted Security; and
- (f) any Financial Indebtedness or loan not permitted pursuant to the preceding paragraphs and the aggregate principal amount of which does not exceed DKK 5,000,000 (or its equivalent in other currencies) at any time.

"Permitted Security" means:

- (a) any Transaction Security, including cash collateral to secure obligations under the Finance Documents;
- (b) any Security arising by operation of law and in the ordinary course of trading, provided that if such Security has arisen as a result of any default or omission by any Group Company it shall not subsist for a period of more than 30 calendar days;
- (c) any Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a Group Company in the ordinary course of business and not arising as a result of a default or omission by any Group Company that is continuing for a period of more than 30 calendar days;

- (d) any right of set-off arising under contracts entered into by Group Companies in the ordinary course of their day-to-day business;
- (e) any Security arising over any bank accounts or custody accounts or other clearing banking facilities held with any bank or financial institution under the standard terms and conditions of such bank or financial institution;
- (f) payments into court or any Security arising under any court order or injunction or as security for costs arising in connection with any litigation or court proceedings being contested by any Group Company in good faith (which do not otherwise constitute or give rise to an Event of Default);
- (g) a pledge over the Construction Security Account in favour of the contractor of the Project;
- (h) any encumbrances (*pantehæftelser*) registered in the Danish Land Registry on the Properties as of 1 March 2019;
- (i) encumbrances established in favour of an owner's association or landowner's association relating to the Properties or any real estate established thereon;
- (j) security granted in favour of the Municipality of Copenhagen to secure the payment of costs involved with the development of common areas in the neighbourhood of the Properties;
- (k) any Security not permitted pursuant to the preceding paragraphs where such Security secures Financial Indebtedness of an aggregate principal amount which does not exceed DKK 5,000,000 (or its equivalent in other currencies) at any time.

"Permitted STK Holding Loan" means a DKK 12,138,533 loan from STK 100 & 106 Holding ApS to the Issuer.

"Permitted Ultimate Parent Loan" means a DKK 1,994,306 loan from the Ultimate Parent to the Issuer.

"Project" means the Issuer's contemplated development of the Properties as further set out on the marketing material.

"Project Monitor" means a reputable project monitor being a person experienced in the management of real estate projects appointed by the Issuer as project monitor for the Project from time to time.

"Property 1" means unit no. 3 on the real property (including all buildings forming part thereof) located St. Kongensgade 100, 1264 København K, Denmark with title no. 0263a, Sankt Annæ Øster Kvarter, København.

"Property 2" means the real properties (including all buildings forming part thereof) located St. Kongensgade 106, 1264 København K, Denmark with title no. 0263b, Sankt Annæ Øster Kvarter, København.

"Properties" means Property 1 and Property 2.

“Put Option” shall have the meaning ascribed to such term in Clause 10.3 (Mandatory repurchase due to a Put Option Event).

“Put Option Event” means a Change of Control Event.

“Put Option Repayment Date” means the settlement date for the Put Option Event pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“Reference Rate” means EURIBOR (European Interbank Offered Rate) being (i) the applicable percentage rate per annum displayed on Reuters screen EURIBOR01 (or through another system or website replacing it) as of or around 11.00 a.m. (Brussels time) on the Interest Quotation Day for the offering of deposits in Euro and for a period comparable to the relevant Interest Period; (ii) if no screen rate is available for the relevant Interest Period, the arithmetic mean of the rates (rounded upwards to four decimal places), as supplied to the Bond Trustee at its request quoted by banks reasonably selected by the Bond Trustee, for deposits of EUR 10,000,000 for the relevant period; or (iii) if no quotation is available pursuant to paragraph (ii), the interest rate which according to the reasonable assessment of the Bond Trustee and the Issuer best reflects the interest rate for deposits in Euro offered for the relevant Interest Period; and in each case, if any such rate is below zero, EURIBOR will be deemed to be zero.

“Release Date” means the day on which the proceeds from the Bond Issue is being released from the Escrow Account to the Issuer for refinancing of the Structural Intra-Group Loan.

“Relevant Jurisdiction” means the country in which the Bonds are issued, being Denmark.

“Relevant Record Date” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time;
- (b) for the purpose of casting a vote in a Bondholders’ Meeting, the date falling 2 Business Days prior to the date of that Bondholders’ Meeting being held, or another date as accepted by the Bond Trustee; and
- (c) for the purpose of casting a vote in a Written Resolution:
 - (i) the date falling 3 Business Days after the Summons have been published; or,
 - (ii) if the requisite majority in the opinion of the Bond Trustee has been reached prior to the date set out in paragraph (i) above, on the date falling on the immediate Business Day prior to the date on which the Bond Trustee declares that the Written Resolution has been passed with the requisite majority or another date as accepted by the Bond Trustee.

“Repayment Date” means any Call Option Repayment Date, the Default Repayment Date, the Put Option Repayment Date, the Tax Event Repayment Date or the Maturity Date.

“Secured Obligations” means all present and future obligations and liabilities of the Issuer under the Finance Documents.

“Secured Parties” means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

“Security” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“Security Agent” means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Finance Document, appointed pursuant to clause 16.6.

“Structural Intra-Group Loan” means an intra-group loan from the Parent Company to the Issuer of DKK 100,000,000 granted 31 July 2017 for the purpose of refinancing the Issuer’s existing debt at that time.

“Subsidiary” means a company over which another company has Decisive Influence.

“Summons” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.

“TARGET Day” means any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro.

“Tax Event Repayment Date” means the date set out in a notice from the Issuer to the Bondholders pursuant to Clause 10.4 (*Early redemption option due to a tax event*).

“Transaction Security” means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“Transaction Security Documents” means, collectively, the Escrow Account Pledge and all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security*) expressed to create any Security by the relevant grantor thereof in respect of the Secured Obligations.

“Ultimate Parent” means Gefion Group A/S, a company existing under the laws of Denmark with registration no. 37042560.

“Voting Bonds” means the Outstanding Bonds less the Issuer’s Bonds and a Voting Bond shall mean any single one of those Bonds.

“Written Resolution” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;

- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) references to a provision of “**law**” is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;
- (g) references to a “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*).
- (j) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Capital Markets Act; and
- (k) an Event of Default is “**continuing**” if it has not been remedied or waived.

2. THE BONDS

2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds in the amount of EUR 32,000,000.
- (a) The Bonds are denominated in Euro (EUR).
- (b) The Initial Nominal Amount of each Bond is EUR 0.01. The minimum settlement unit is EUR 100,000.
- (c) The ISIN of the Bonds is DK0030444401. All Bonds issued under the same ISIN will have identical terms and conditions as set out in these Bond Terms.

2.2 Tenor of the Bonds

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

2.3 Use of proceeds

The Issuer will use the net proceeds from the Bonds, in accordance with the Issuer’s Green Bond Framework, for:

- (a) Refinancing of the Structural Intra-Group Loan;
- (b) Deposit of the equivalent DKK amount of EUR 15,000,000 on a Construction Account pledged in favour of the Bond Trustee and/or a Construction Security Account pledged with first priority in favour of the contractor of the Project and pledged with second priority in favour of the Bond Trustee, sufficient to cover all construction costs to complete the Project;
- (c) General corporate purposes of the Issuer; and
- (d) Payment of certain transaction costs, fees and expenses including registration fees paid by the Ultimate Parent on the Issuer's behalf.

The Issuer may use the net proceeds from the Bond Issue for refinancing of the Structural Intra-Group Loan once the conditions set out in Clause 6.2 (*Conditions precedent - Release of funds for refinancing of the Structural Intra-Group Loan*) has been properly fulfilled. The remaining net proceeds may be used in accordance with above, when the securities set out in Clause 6.3 (*Conditions subsequent - Release of the remaining funds*) has been properly perfected (and not subject to a hardening period).

2.4 Status of the Bonds

The Bonds will constitute senior debt obligations of the Issuer. The Bonds will rank *pari passu* between themselves and will rank at least *pari passu* with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

2.5 Transaction Security

As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent as representative for the Bondholders within the times agreed in Clause 6 (*Conditions Precedent and Conditions Subsequent*):

- (i) a first priority pledge of an owner's mortgage in the amount of the equivalent DKK amount of EUR 32,000,000 registered with first priority on the Properties;
- (ii) documentation that a negative pledge has been registered in the Danish Land Registry in respect of the Properties;
- (iii) a first priority pledge over the Construction Account and all funds held to the credit on the Construction Account from time to time;
- (iv) a second priority pledge over the Construction Security Account and all funds held to the credit on the Construction Security Account from time to time;
- (v) a first priority assignment in the construction contract with Harder Gruppen including the underlying constructor guarantee;
- (vi) a first priority assignment of the Issuers rights of payment under the lease agreements with Lidl relating to the lease of the Properties or any part thereof in

existence on the Issue Date (the assignment agreement will reflect that all payments under the lease agreements can only be made with releasing effect to the Construction Account);

- (vii) a first priority pledge over the shares in the Issuer;
- (viii) a first priority pledge over the shares in the Komplementarselskabet GG St. Kongensgade 100 og 106 ApS;
- (ix) a first priority pledge over the Escrow Account and all funds held to the credit on the Escrow Account from time to time;
- (x) a first priority assignment and subordination agreement relating to STK 100 & 106 Holding ApS' rights under the loan agreement regarding the Permitted STK Holding Loan; and
- (xi) a first priority assignment and subordination agreement relating to the Ultimate Parent rights under the loan agreement regarding the Permitted Ultimate Parent Loan.

The Transaction Security shall be entered into on such terms and conditions as the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.

Each of the Bond Trustee and the Security Agent shall be authorised by the Bondholders and under an obligation towards the Issuer to agree to the release of any security interest established in favour of the Security Agent or the Bond Trustee as representative of the Bondholders over an asset or any part thereof which is sold, transferred or otherwise disposed of in connection with a Permitted Disposal.

3. THE BONDHOLDERS

3.1 Bond Terms binding on all Bondholders

- (a) Upon registration of the Bonds in the CSD, the Bondholders shall be bound by the terms and conditions of these Bond Terms and any other Finance Document without any further action or formality being required to be taken or satisfied.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

3.2 Limitation of rights of action

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.

- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.
- (c) The Bondholders acknowledge that no action has been taken by the Issuer that would permit any Bondholder to make a public offer of the Bonds in any country or jurisdiction where any such action for that purpose is required. Accordingly, the Bondholders undertake that they will not, directly or indirectly, offer or sell the Bonds publicly or distribute or publish the Bond Terms or any other offering circular, prospectus, application form, advertisement or other offering material in any country or jurisdiction where any such action is required to be taken by the Issuer to permit such offering or sale of the Bonds or distribution or publication of the Bond Terms or any other offering circular, prospectus, application form, advertisement or other offering material.

3.3 Bondholders' rights

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless it is otherwise apparent from the face of it or the Bond Trustee has actual knowledge to the contrary.

4. ADMISSION TO LISTING

The Issuer:

- a) shall ensure that (i) the Bonds are listed on an Exchange within 12 months of the Issue Date; and (ii) the Bonds, if admitted to trading on an Exchange, continue being listed thereon for as long as any Bond is outstanding (however, taking into account the rules and regulations of the relevant Exchange (as amended from time to time) preventing trading in the Bonds in close connection to the redemption of the Bonds).
- b) acknowledges that the Bonds are listed on the Open Market of the Frankfurt Stock Exchange as soon as reasonably possible after the Issue Date and remain listed on such exchange until the Bonds have been redeemed in full.

5. REGISTRATION OF THE BONDS

5.1 Registration in the CSD

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

5.2 Obligation to ensure correct registration

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

5.3 Country of issuance

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

6. CONDITIONS PRECEDENT AND CONDITIONS SUBSEQUENT

6.1 Conditions precedent - Issuance of the Bonds

The issuance of the Bonds shall be conditional upon the events set out below being fulfilled, in form and substance satisfactory to the Bond Trustee:

- (i) the Bond Terms duly executed by all parties thereto;
- (ii) a copy of all corporate resolutions of the Issuer required for the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
- (iii) a copy of a power of attorney from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant business register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;
- (iv) a copy of the Issuer's articles of association and of a full extract from the relevant business register in respect of the Issuer evidencing that the Issuer is validly existing;
- (v) a copy of the Issuer's latest Financial Report;
- (vi) confirmation that an application has been submitted for registration of the Bonds with VP Securities A/S;
- (vii) a copy of all technical drawings and plans for the property deposited with the Bond Trustee;
- (viii) a copy of the Bond Trustee Agreement duly signed by all parties thereto;
- (ix) a copy of any written documentation used in marketing of the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
- (x) the pledge agreement related to the Escrow Account and all funds standing to the credit on the Escrow Account from time to time duly signed by all parties thereto and perfected in accordance with applicable law; and

6.2 Conditions precedent - Release of funds for refinancing of the Structural Intra-Group Loan

The net proceeds from the issuance of the Bonds will not be released from the Escrow Account to the Issuer to refinancing of the Structural Intra-Group Loan unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such release to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:

- (i) a first priority pledge of an owner's mortgage in the amount of the equivalent DKK amount of EUR 32,000,000 registered in the Danish Land Registry with first priority on the Properties;
- (ii) a negative pledge filed for registration in respect of the Properties with the Danish Land Registry;
- (iii) reliance in favour of the Bond Trustee on behalf of the Bondholders on the legal due diligence report relating to the Properties;
- (iv) Pay-off letter from the Parent Company as lender in respect of the Structural Intra-Group Loan to the effect that upon repayment of the Structural Intra-Group Loan it has no further claims against the Issuer;
- (v) Pay-off letter from Intertrust (Denmark) A/S on behalf of the Existing Bondholders with a confirmation to the effect that upon transfer of an amount required to redeem the Existing Outstanding Bonds to a bank account pledged in favour of the Existing Bondholders it will release the transaction security established in favour of the Existing Bondholders (except for the pledge in the pledged bank account) and a confirmation of the amount required to pay-off the Existing Bonds on the agreed redemption date; and
- (vi) legal opinions from the Issuer's Danish legal counsel (in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of the Bond Terms and the Transactions Securities subject to standard assumptions and qualifications).

6.3 Conditions subsequent - Release of the remaining funds

The remaining net proceeds from the issuance of the Bonds will not be released from the Escrow Account to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such release to the Issuer each of the following Transaction Security Documents duly signed by all parties thereto and properly perfected, in form and substance satisfactory to the Bond Trustee:

- (i) a first priority assignment in the construction contract with Harder Gruppen including the underlying constructor guarantee from time to time duly signed by all parties thereto;
- (ii) a first priority pledge over the shares in the Issuer duly signed by all parties thereto;

- (iii) a first priority pledge over the shares in the Komplementarselskabet GG St. Kongensgade 100 og 106 ApS duly signed by all parties thereto;
- (iv) a first priority assignment of the Issuer's rights of payment under the lease agreements with Lidl related to the Properties or any part thereof in existence on the Issue Date duly signed by all parties thereto;
- (v) a first priority assignment and subordination agreement relating to STK 100 & 106 Holding ApS' rights under the loan agreement regarding the Permitted STK Holding Loan duly signed by all parties thereto; and
- (vi) a first priority assignment and subordination agreement relating to the Ultimate Parent rights under the loan agreement regarding the Permitted Ultimate Parent Loan duly signed by all parties thereto.
- (vii) a first priority pledge over the Construction Account and all funds held on the Construction Account from time to time duly signed by all parties thereto.
- (viii) a second priority pledge over the Construction Security Account and all funds held to the credit on the Construction Security Account from time to time duly signed by all parties thereto;

6.4 Waivers and disbursement

- (a) The Bond Trustee, acting in its reasonable discretion, may waive the deadline or the requirements for documentation set out in this Clause 6 (*Conditions Precedent and Conditions Subsequent*), or decide in its discretion that delivery of certain documents as set out in this Clause 6 (*Conditions Precedent and Conditions Subsequent*) shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.
- (b) Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions set out in this Clause 6 (*Conditions Precedent and Conditions Subsequent*) have been either satisfied or waived by the Bond Trustee (in its discretion) pursuant to paragraph (a) above.

7. REPRESENTATIONS AND WARRANTIES

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and warranties*), in respect of itself to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the Issue Date; and
- (b) on each date of disbursement of proceeds from the Escrow Account.

7.1 Information

All information which has been presented to the Bond Trustee or the Bondholders in relation to the Bonds is, to the best knowledge of the Issuer, having taken all reasonable measures to ensure the same:

- (a) true and accurate in all material respects as at the date the relevant information is expressed to be given; and
- (b) does not omit any material information likely to affect the accuracy of the information as regards the evaluation of the Bonds in any material respects unless subsequently disclosed to the Bond Trustee in writing or otherwise made publicly known.

7.2 No Event of Default

No Event of Default exists or is likely to result from the issuance of the Bonds or the entry into, the performance of, or any transaction contemplated by, these Bond Terms or the other Finance Documents.

7.3 Transaction Security

The entry into of the Transaction Security Documents and the granting of the Transaction Security do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it.

8. PAYMENTS IN RESPECT OF THE BONDS

8.1 Covenant to pay

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.
- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which the relevant CSD settlement system for the Bonds is not open, the payment shall be made on the first following possible day on which the system is open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

8.2 Default interest

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus an additional five (5) per cent. per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.

8.3 Partial payments

- (a) If any of the Paying Agent or the Bond Trustee receives a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents (a “**Partial Payment**”), such Partial Payment shall, in respect of the Issuer’s debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
 - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee (and any Security Agent);
 - (ii) secondly, towards accrued interest due but unpaid; and
 - (iii) thirdly, towards any principal amount due but unpaid.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders shall, subject to paragraph (c) below, be applied pro rata pursuant to the procedures of the CSD towards payment of any accrued interest due but unpaid and of any principal amount due but unpaid.
- (c) A Bondholders' Meeting can only resolve that any overdue payment of any instalment will be reduced if there is a pro rata reduction of the principal that has not fallen due, however, the meeting may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.

8.4 Taxation

- (a) The Issuer is responsible for withholding any withholding tax imposed by applicable law on any payments to be made by it in relation to the Finance Documents.
- (b) The Issuer shall, if any tax is withheld in respect of the Bonds under the Finance Documents:
 - (i) gross up the amount of the payment due up to such amount which is necessary to ensure that the Bondholders or the Bond Trustee, as the case may be, receive a net amount which (after making the required withholding) is equal to the payment which would have been received if no withholding had been required; and
 - (ii) at the request of the Bond Trustee, deliver to the Bond Trustee evidence that the required tax deduction or withholding has been made.

- (b) Any fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

8.5 Currency

All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged at the cost of the relevant Bondholder and credited to this bank account.

8.6 Set-off and counterclaims

The Issuer may not apply or perform any counterclaim or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

9. INTEREST

9.1 Calculation of interest

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period
- (c) Any interpolation of the interest rate will be quoted with the number of decimals corresponding to the quoted number of decimals of the Reference Rate

9.2 Payment of Interest

Interest shall be payable on each Interest Payment Date.

10. REDEMPTION AND REPURCHASE OF BONDS

10.1 Redemption of Bonds

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to one hundred per cent. (100%) of the Nominal Amount.

10.2 Voluntary early redemption - Call Option

The Issuer may redeem all, but not only some, of the Outstanding Bonds (the "**Call Option**") on any Business Day before the Maturity Date. The Outstanding Bonds shall be redeemed at an amount equivalent to:

- a) the sum of (i) 101.5 per cent. of the Nominal Amount and, (ii) the remaining interest payments until the First Call Date, if the Call Option is exercised on or after the Issue Date to, but not including, the First Call Date;

- b) 101.5 per cent. of the Nominal Amount, if the Call Option is exercised on or after the First Call Date to, but not including, the date falling 15 months after the Issue Date; and
- c) 100.0 per cent. of the Nominal Amount, if the Call Option is exercised on or after the date falling 15 months after the Issue Date to, but not including, the Final Redemption Date.

The Call Option may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least ten (10) Business Days, but not more than twenty (20) Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date and the redemption amount.

For the purpose of calculating the remaining interest payments pursuant to (a) above it shall be assumed that the Interest Rate for the period from the relevant record date to the First Call Date will be equal to the Interest Rate in effect on the date on which notice of redemption is given to the bondholders.

10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “**Put Option**”) to require that the Issuer purchases all or some of the Bonds held by that Bondholder at a price equal to hundred and one per cent. (101%) of the Nominal Amount.
- (b) The Put Option must be exercised within thirty (30) calendar days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders’ right to exercise the Put Option will not fall away due to subsequent events related to the Issuer.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the fifth Business Day after the end of the thirty (30) calendar days exercise period referred to in paragraph (b) above.
- (d) If Bonds representing more than ninety per cent. (90%) of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than twenty (20) calendar days after the Put Option Repayment Date. Such prepayment may occur at the earliest on the fifteenth (15th) calendar day following the date of such notice.

10.4 Early redemption option due to a tax event

If the Issuer is or will be required to gross up withheld tax imposed by law from any payment in respect of the Bonds under the Finance Documents pursuant to Clause 8.4 (*Taxation*) as a result of a change in applicable law (or in the interpretation thereof) implemented after the date of these Bond Terms, the Issuer will have the right to redeem all, but not only some, of the Outstanding Bonds at a price equal to one hundred per cent. (100%) of the Nominal Amount.

The Issuer shall give written notice of such redemption to the Bond Trustee and the Bondholders at least twenty (20) Business Days prior to the Tax Event Repayment Date, provided that no such notice shall be given earlier than sixty (60) days prior to the earliest date on which the Issuer would be obliged to withhold such tax where a payment in respect of the Bonds then due.

10.5 Mandatory early redemption at the Longstop Date

In the event that the conditions precedent set out in Clause 6 (*Conditions Precedent and Conditions Subsequent*) have not been fulfilled at the Longstop Date, the Issuer shall immediately redeem the Bonds at a price of hundred and one per cent. (101%) of the Nominal Amount plus accrued interest.

11. PURCHASE AND TRANSFER OF BONDS

11.1 Issuer's purchase of Bonds

The Issuer and any other Group Company may subscribe, purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's absolute and sole discretion, (including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*)).

11.2 Restrictions

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible to ensure compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with local laws and applicable regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

12. INFORMATION UNDERTAKINGS

12.1 Financial Reports

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than one hundred and fifty (150) days after the end of the financial year.
- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than sixty (60) days after the end of the relevant interim period.

12.2 Requirements as to Financial Reports

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), however only once for each relevant reporting period, a Compliance Certificate with a copy of the Financial Report attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying i.a. that the Financial Statements are fairly representing its financial condition as at the date of those financial statements.
- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared on the basis of GAAP consistently applied.

12.3 Put Option Event

The Issuer shall inform the Bond Trustee in writing as soon as possible after becoming aware that a Put Option Event has occurred.

12.4 Information: Miscellaneous

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it);
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) inform the Bond Trustee of changes in the registration of the Bonds in the CSD;
- (f) within a reasonable time, provide such information about the Issuer's business, assets and financial condition as the Bond Trustee may reasonably request; and
- (g) by the end of each quarter make available for the Bondholders a revised and relevant status update about the Project. The status update can be found on the Issuer's website (<http://www.gefiongroup.com>) and will among other things include information on timing and costs.

13. GENERAL UNDERTAKINGS

The Issuer undertakes to comply with the undertakings set forth in this Clause 13 (*General Undertakings*) from the Release Date.

13.1 Authorisations

The Issuer shall in all material respects obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out at the date of these Bond Terms if a failure to do so would have a Material Adverse Effect.

13.2 Compliance with laws

The Issuer shall comply in all material respects with all laws and regulations to which it may be subject from time to time, if failure to do so would have a Material Adverse Effect.

13.3 Continuation of business

The Issuer shall procure that no material change is made to the general nature of the business from that carried on or intended to be carried on by the Issuer at the Issue Date.

13.4 Mergers and de-mergers

The Issuer shall not carry out

- (a) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations with any other person other than with a Group Company; or
- (b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger;

if such merger, demerger, combination or reorganisation would have a Material Adverse Effect.

The above does not apply to any Permitted Disposal

13.5 Financial Indebtedness

- (a) Except as permitted under paragraph (b) below, the Issuer shall not incur any additional Financial Indebtedness or maintain or prolong any existing Financial Indebtedness.
- (b) Paragraph (a) above shall not prohibit the Issuer to incur, maintain or prolong any Permitted Financial Indebtedness.

13.6 Negative pledge

- (a) Except as permitted under paragraph (b) below, the Issuer shall not create or allow to subsist, retain, provide, prolong or renew any Security over any of its/their assets (whether present or future).
- (b) Paragraph (a) above does not apply to any Permitted Security.

13.7 Financial support

- (a) Except as permitted under paragraph (b) below, the Issuer shall not be a creditor in respect of any Financial Support to or for the benefit of any person.
- (b) Paragraph (a) above does not apply to any, Permitted Security, Permitted Loan or Permitted Guarantee.

13.8 Disposals

- (a) The Issuer shall not sell, transfer or otherwise dispose of all or substantially all of their respective assets (including shares or other securities in any person) or operations (other than to a Group Company), unless such sale, transfer or disposal constitutes a Permitted Disposal or will not have a Material Adverse Effect.
- (b) Each of the Bond Trustee and the Security Agent shall be authorised to release existing Transaction Security and (to the extent applicable) re-establish similar Transaction Security pursuant to these Bond Terms subject to such procedures and closing mechanisms as the Bond Trustee or the Security Agent shall determine in its discretion.
- (c) Each of the Bond Trustee and the Security Agent shall be authorised by the Bondholders and under an obligation towards the Issuer to agree to the release of any security interest established in favour of the Security Agent or the Bond Trustee as representative of the Bondholders over an asset or any part thereof which is sold, transferred or otherwise disposed of in connection with a Permitted Disposal.

13.9 Distribution of dividends

The Issuer shall not, and shall procure that no other Group Company will, (i) pay any dividends on shares, (ii) repurchase any of its own shares, (iii) redeem its share capital or other restricted equity with repayment to shareholders, (iv) make any payments in relation to any debt owed to any of its direct or indirect shareholders, (v) repay any subordinated debt to shareholders or (vi) make other distributions or transfers of value (in Danish: *udlodninger*) within the meaning of the Danish Companies Act to its direct or indirect shareholders.

13.10 Related party transactions

Without limiting Clause 13.2 (*Compliance with laws*), the Issuer shall conduct all business transactions with any Affiliate and other related party at market terms and otherwise on an arm's length basis. For the avoidance of doubt, the Issuer shall, in addition to other payments made on market terms and arm's length basis in connection with the development of the Project, be entitled to pay a fee to its Affiliates and related parties of up to a total amount of DKK 2,500,000 per year for assistance relating to accounting and bookkeeping services, legal services, contract handling, holding company activities and other administrative services.

13.11 Handling of excess cash

The Issuer undertakes to use all excess cash in accordance with Clause 2.3 (*Use of Proceeds*).

13.12 Minimum cash covenant

For as long as any amount is outstanding hereunder the Issuer shall ensure that the Group, at all times, has access to cash or cash equivalents of an amount of at least DKK 2,000,000.

13.13 Listing

The Issuer shall ensure that the Bonds are listed on an Exchange within 12 months after the Issue Date and remain listed on the Exchange until the Bonds have been redeemed in full.

The Issuer shall acknowledge that the Bonds are listed on the Open Market of the Frankfurt Stock Exchange as soon as reasonably possible after the Issue Date and remain listed on such exchange until the Bonds have been redeemed in full.

13.14 Status update

The Issuer shall by the end of each quarter make available for the Bondholders a revised and relevant status update about the Project. The status update can be found on the Issuer's website (<http://www.gefiongroup.com>) and will among other things include information on timing and costs.

14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS

14.1 Events of Default

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

(a) Non-payment

The Issuer fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within five (5) Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within five (5) Business Days following the original due date.

(b) Breach of other obligations

The Issuer does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within twenty (20) Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

(c) Misrepresentation

Any representation, warranty or statement (including statements in Compliance Certificates) made under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made or deemed to have been made, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within twenty (20) Business Days of the earlier of the Bond Trustee giving notice to the Issuer or the Issuer becoming aware of such misrepresentation.

(d) Cross acceleration

If for the Group any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described), provided however that the aggregate amount of such Financial Indebtedness

or commitment for Financial Indebtedness above exceeds a total of EUR 500,000 (or the equivalent thereof in any other currency).

(e) Insolvency and insolvency proceedings

The Issuer:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
 - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
 - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair its ability to perform its payment obligations under these Bond Terms; or
 - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
 - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross acceleration*) above; or
 - (E) for (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company, however this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within twenty (20) Business Days of commencement.

(f) Creditor's process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Issuer having an aggregate value exceeding the threshold amount set out in paragraph 14.1 (d) (*Cross acceleration*) above and is not discharged within twenty (20) Business Days.

(g) Unlawfulness

It is or becomes unlawful for the Issuer to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of any of the Issuer to perform its obligations under these Bond Terms; or
- (ii) the ability of any of the Bond Trustee or the Security Agent to exercise any material right or power vested to it under the Finance Documents.

14.2 Acceleration of the Bonds

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable on demand at which time they shall become immediately due and payable on demand by the Bond Trustee;
- (b) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (c) exercise or direct the Security Agent to exercise any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

14.3 Bondholders' instructions

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

14.4 Calculation of claim

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be calculated at the prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*) as applicable at the following dates (and regardless of the Default Repayment Date set out in the Default Notice):

- (i) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the price applicable at the date when such Event of Default occurred; and
- (ii) for any other Event of Default, the claim will be calculated at the price applicable at the date when the Default Notice was served by the Bond Trustee.

15. BONDHOLDERS' DECISIONS

15.1 Authority of the Bondholders' Meeting

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.

- (b) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (c) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (d) At least fifty per cent. (50%) of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (e) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (f) below.
- (f) Save for any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of any provisions of these Bond Terms, including a change of Issuer and change of Bond Trustee.

15.2 Procedure for arranging a Bondholders' Meeting

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
 - (i) the Issuer;
 - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
 - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
 - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within ten (10) Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the re-requesting party may itself call the Bondholders' Meeting.
- (c) Summons to a Bondholders' Meeting must be sent no later than ten (10) Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons are published in accordance with the applicable regulations of the Exchange. The Summons shall also be published on the website of the Bond Trustee (alternatively by press release or other relevant information platform).

- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contain proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting.
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a “**Representative**”). The chair of the Bondholders' Meeting may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the chair of the Bondholders' Meeting will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the chair of the Bondholders' Meeting. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the chair of the Bondholders' Meeting and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.
- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are

published on the website of the Bond Trustee (or other relevant electronically platform or press release).

- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

15.3 Voting rules

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The chair of the Bondholders' Meeting may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The chair of the Bondholders' Meeting shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the chair of the Bondholders' Meeting will have the deciding vote.

15.4 Repeated Bondholders' Meeting

- (a) Even if the necessary quorum set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within ten (10) Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (d) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to

the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons are sent and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholder's Meeting*), Clause 15.3 (*Voting Rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
 - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
 - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (*Written Resolution*),shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
 - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
 - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**"), such Voting Period to be at least three (3) Business Days but not more than fifteen (15) Business Days from the date of the Summons, provided however that the Voting Period for a Written Resolution summoned pursuant to Clause 15.4 (*Repeated Bondholders' Meeting*) shall be at least ten (10) Business Days but not more than fifteen (15) Business Days from the date of the Summons.

- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.
- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been achieved, based on the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution may also be passed if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being achieved.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (d) to (f) of Clause 15.1 (*Authority of Bondholders' Meeting*).

16. THE BOND TRUSTEE

16.1 Power to represent the Bondholders

- (a) The Issuer appoints the Bond Trustee to act as Bond Trustee (Dan: *repræsentant*) of the Bondholders pursuant to sections 1(3) and 18(1) of the Capital Markets Act . The Bond Trustee accepts such appointment. The Bond Trustee shall be registered with the Danish Financial Supervisory Authority in accordance with the Capital Markets Act and the Issuer and the Bond Trustee shall provide all information required by the Danish Financial Supervisory Authority.
- (b) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with. The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others, and consequently, no Bondholder may take any such legal or other actions against the Issuer.
- (c) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

16.2 The duties and authority of the Bond Trustee

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.

- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.
- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
 - (i) complying with instructions of the Bondholders; or
 - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.
- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.

16.3 Equality and conflicts of interest

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

16.4 Expenses, liability and indemnity

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (c) The Bond Trustee shall not be considered to have acted negligently if it has:
 - (i) acted in accordance with advice from or opinions of reputable external experts; or
 - (ii) acted with reasonable care in a situation when the Bond Trustee considers that it is detrimental to the interests of the Bondholders to delay any action.
- (d) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (e) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Agreement.

- (f) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.
- (g) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default or the Issuer being Insolvent may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (h) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

16.5 Replacement of the Bond Trustee

- (a) The Bond Trustee may be replaced according to the procedures set out in Clause 15 (*Bondholders' Decision*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5 (*Replacement of the Bond Trustee*).
- (d) The change of Bond Trustee's shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits under the Finance Documents before the change has taken place.

- (e) Upon change of Bond Trustee the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

16.6 Security Agent

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.
- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee. If a Security Agent other than the Bond Trustee is appointed, such Security Agent is appointed by the Bond Trustee on behalf of the Bondholders in accordance with sections 1(3) and 18(1) of the Danish Capital Markets Act.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require the Issuer and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

17. AMENDMENTS AND WAIVERS

17.1 Procedure for amendments and waivers

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
 - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes; or

- (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
 - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

17.2 Authority with respect to documentation

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

17.3 Notification of amendments or waivers

The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice obviously is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.

18. MISCELLANEOUS

18.1 Limitation of claims

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

18.2 Access to information

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) The Issuer and the Bond Trustee to the extent permitted under applicable regulations, shall have access on demand to information on ownership of Bonds registered in the CSD. At the request of the Bond Trustee, the Issuer shall promptly obtain such information and provide it to the Bond Trustee.
- (c) The Issuer hereby irrevocable appoints each of the Bond Trustee and such persons employed by the Bond Trustee and the Paying Agent as its attorneys with full power and authority to independently obtain information directly from the CSD. The Issuer may not

revoke any such power of attorney while the Bonds are outstanding unless directed by the Bond Trustee. The Issuer shall without undue delay issue separate powers of attorney, if so requested by the CSD.

- (d) The information referred to in paragraph (b) and (c) above may only be used for the purposes of carrying out duties and exercising rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

18.3 Notices, contact information

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD or the Bond Trustee with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
 - (i) if by letter, when delivered at the address of the relevant party;
 - (ii) if by e-mail, when received; and
 - (iii) if by fax, when received.
- (c) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (d) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
 - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
 - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
 - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

18.4 Defeasance

- (a) Subject to paragraph (b) below and provided that:
- (i) An amount sufficient for the payment of principal and interest on the Outstanding Bonds to the Maturity Date (including, to the extent applicable, any premium payable upon exercise of the Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);
 - (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
 - (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,
- then;
- (A) the Issuer will be relieved from its obligations under Clause 12.2 (*Requirements as to Financial Reports*) paragraph (a), Clause 12.3 (*Put Option Event*), Clause 12.4 (*Information: miscellaneous*) and Clause 13 (*General undertakings*); and
 - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
- (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems required.

A defeasance established according to this Clause 18.4 may not be reversed.

19. GOVERNING LAW AND JURISDICTION

19.1 Governing law

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

19.2 Jurisdiction


The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising

out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

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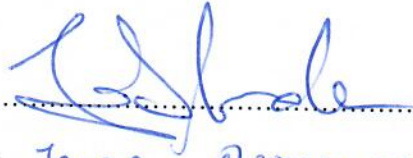
These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:

The Issuer: GG St. Kongensgade 100 og 106 P/S  By: THOMAS W. FÆRCH Position: AUTHORIZED SIGNATORY	As Bond Trustee and Security Agent: Nordic Trustee A/S By: Position:
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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

SIGNATURES:

The Issuer: GG St. Kongensgade 100 og 106 P/S By: Position:	As Bond Trustee and Security Agent: Nordic Trustee A/S  By: JACOB ARMANDSEN Position: CEO
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SCHEDULE 1
COMPLIANCE CERTIFICATE

[date]

**GG St. Kongensgade 100 og 106 P/S / Floating rate senior secured EUR 32,000,000 bonds
2019/2020 ISIN DK0030444401**

We refer to the Bond Terms for the above captioned Bonds. Pursuant to Clause 12.2(a) of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Statements to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*) we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate and there has been no material adverse change to the financial condition of the Issuer since the date of the last accounts or the last Compliance Certificate submitted to you. Copies of our latest consolidated [Financial Statements] / [Interim Accounts] are enclosed.

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

GG St. Kongensgade 100 og 106 P/S

Name of authorised person

Enclosure: Financial Statements;

SCHEDULE 2
RELEASE NOTICE – ESCROW ACCOUNT

Handelsbanken, Filial af Svenska Handelsbanken AB (publ), Sverige
Attn.: Åse Byrum
Havneholmen 29
DK-1561 København V

and

Nordic Trustee A/S
Attn.: Jacob Arenander
Bredgade 30,
DK-1260 København K

[date]

Dear Sirs,

Release notice and payment instruction

Reference is made to the bond terms for the bond issue GG St. Kongensgade 100 og 106 P/S / Floating rate senior secured EUR 32,000,000 bonds 2019/2020 ISIN DK0030444401 (the “**Bond Terms**”). Capitalised terms used herein will have the same meaning as in the Bond Terms.

Reference is further made to the Escrow Account Pledge entered into by GG St. Kongensgade 100 og 106 P/S as pledgor and Nordic Trustee A/S on behalf of the Bondholders, pursuant to which the Escrow Account has been pledged in accordance with the letter of notification acknowledged by you on [date]. For the avoidance of doubt, the Escrow Account is the account with account number [●].

We hereby give you, Handelsbanken, Filial af Svenska Handelsbanken AB (publ), Sverige, notice that on [●] May 2019 we request to transfer an amount of DKK [●] from the Escrow Account and instruct you to transfer such amount to account no. [●] held by [●] with [●] as account bank and by including [●] as reference and to transfer an amount of DKK [●] from the Escrow Account and instruct you to transfer such amount to account no. [●] held by [●] with [●] as account bank and by including [●] as reference.

For sake of order, we confirm that the pledge over and the blocking of the Escrow Account constituted by the Escrow Account Pledge shall continue for the remaining amount and for any future amount standing to our credit on the Escrow Account.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we repeat the representations and warranties set out in the Bond Terms as being still true and accurate in all material respects at the date hereof. Furthermore, the amount requested will be applied pursuant to the purpose set out in the Bond Terms.

[The remainder of this page has intentionally been left blank]

[SIGNATURE PAGE TO ESCROW ACCOUNT RELEASE NOTICE]

Yours faithfully,
GG St. Kongensgade 100 og 106 P/S

Name:

Handelsbanken, Filial af Svenska Handelsbanken AB (publ), Sverige
Attn.: Åse Byrum
Havneholmen 29
DK-1561 København V

Copy to: GG St. Kongensgade 100 og 106 P/S

Approval of payment from Escrow Account

Reference is made to the release notice and payment instruction dated [●] from GG St. Kongensgade 100 og 106 P/S to you as escrow account bank and us as Bond Trustee (the “**Notice**”). Terms used in the Notice shall have the same meaning when used herein.

On behalf of Nordic Trustee A/S, we hereby confirm and agree (i) to the release from the Escrow Account requested by GG St. Kongensgade 100 og 106 P/S in the Notice and (ii) that you are authorised to make the transfer as requested by GG St. Kongensgade 100 og 106 P/S in the Notice.

For sake of order, we emphasise that the pledge over and the blocking of the Escrow Account constituted by the Escrow Account Pledge shall continue for the remaining amount and for any future amount standing to our credit on the Escrow Account.

On behalf of

Nordic Trustee A/S

Name:

Capacity:

In witness hereof

Name:

Address:

Name:

Address: