



CHRISTENSEN
KJÆRULFF

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESELSKAB

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Covivio Dansk Holding ApS

Store Kongensgade 68, 1264 København K

Company reg. no. 30 53 57 23

Annual report

1 January - 31 December 2018

The annual report has been submitted and approved by the general meeting on the 21 May 2019.

Daniel Frey
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.



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Management's report

The executive board has today presented the annual report of Covivio Dansk Holding ApS for the financial year 1 January to 31 December 2018.

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

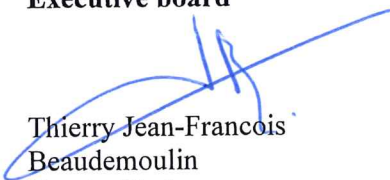
We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2018 and of the company's results of its activities in the financial year 1 January to 31 December 2018.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Copenhagen, 15 May 2019

Executive board



Thierry Jean-Francois
Beaudemoulin
Managing Director



Arnaud Brément



Peter Westphal



Independent auditor's report

To the shareholders of Covivio Dansk Holding ApS

Opinion

We have audited the annual accounts of Covivio Dansk Holding ApS for the financial year 1 January to 31 December 2018, which comprise accounting policies used, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2018 and of the results of the company's operations for the financial year 1 January to 31 December 2018 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.



Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the 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 company's internal control.
- Evaluate the appropriateness of accounting policies used by the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts 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 company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect 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 the internal control that we identify during our audit.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.



Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 15 May 2019

Christensen Kjaerulff

Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Iver Haugsted
State Authorised Public Accountant
mne10678



Company data

The company

Covivio Dansk Holding ApS
Store Kongensgade 68
1264 København K

Company reg. no. 30 53 57 23
Established: 19 May 2014
Domicile: Copenhagen
Financial year: 1 January - 31 December
5th financial year

Executive board

Thierry Jean-Francois Beaudemoulin, Managing Director
Arnaud Brément
Peter Westphal

Auditors

Christensen Kjærulff
Statsautoriseret Revisionsaktieselskab
Store Kongensgade 68
1264 København K

Subsidiaries

Covivio Dansk L ApS, Copenhagen
Covivio Berlin IV ApS, Copenhagen



Financial highlights

EUR in thousands.	<u>2018</u>	<u>2017</u>	<u>2016</u>
Profit and loss account:			
Gross profit	-16	-9	-2
Results from operating activities	-18	-9	-3
Net financials	85.656	107.160	37.842
Results for the year	85.638	107.150	37.839
Balance sheet:			
Balance sheet sum	525.783	439.632	337.448
Equity	525.622	157.758	50.609
Key figures in %:			
Acid test ratio	64,6	0,0	0,1
Solvency ratio	100,0	35,9	15,0
Return on equity	25,1	102,8	150,0

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.



Management's review

The principal activities of the company

The principal activities are majority ownership to the shares in Covivio Dansk L ApS and Covivio Berlin IV ApS, both operating within the German real estate market.

Unusual matters

No unusual matters.

Uncertainties as to recognition or measurement

No uncertainties as to recognition or measurement.

Development in activities and financial matters

The net turnover for the year is t.EUR 0 against t.EUR 0 last year. The results from ordinary activities after tax are t.EUR 85.638 against t.EUR 107.150 last year. The management consider the results satisfactory.

Environmental issues

Environmental issues for the group are described in the group's CSR report.

Know how resources

Know how resources for the group are described in the group's CSR report.

Research and development activities

None.

The expected development

The management expect a positive result for 2019.

Events subsequent to the financial year

No events have occurred subsequent to the balance sheet date, which would have material impact on the financial position of the company.

Statement of corporate social responsibility

Covivio Dansk Holding ApS is a subsidiary to Covivio Immobilien SE. The statutory statement for the group cf. section 99 a of the Danish Financial Statements Act has been published on the group's website on the following url: <https://www.covivio.eu/en/profil/strategy/publication/>



Management's review

Target figures and policies for the under-represented sex

With reference to the account of the gender composition of the management cf. section 99 b of the Danish Financial Statements Act, Covivio Dansk Holding ApS' executive board are looking for the opportunities to get at least one woman in the board. The executive board has not found any relevant candidates in 2018 based on an overall assessment of competencies and continuity.



Profit and loss account 1 January - 31 December

EUR in thousands.

<u>Note</u>	<u>2018</u>	<u>2017</u>
Other external costs	<u>-16</u>	<u>-9</u>
Gross results	-16	-9
Other operating costs	<u>-2</u>	<u>0</u>
Operating profit	-18	-9
Income from equity investments in group enterprises	86.171	107.733
2 Other financial costs	<u>-515</u>	<u>-573</u>
Results before tax	85.638	107.151
Tax on ordinary results	<u>0</u>	<u>-1</u>
3 Results for the year	85.638	107.150



Balance sheet 31 December

EUR in thousands.

Assets			
<u>Note</u>		<u>2018</u>	<u>2017</u>
Fixed assets			
4	Equity investments in group enterprises	<u>525.679</u>	<u>439.507</u>
	Financial fixed assets in total	<u>525.679</u>	<u>439.507</u>
	Fixed assets in total	<u>525.679</u>	<u>439.507</u>
Current assets			
	Other debtors	<u>104</u>	<u>125</u>
	Debtors in total	<u>104</u>	<u>125</u>
	Current assets in total	<u>104</u>	<u>125</u>
	Assets in total	<u>525.783</u>	<u>439.632</u>



Balance sheet 31 December

EUR in thousands.

Equity and liabilities		
Note	2018	2017
Equity		
5 Contributed capital	13	13
6 Reserves for net revaluation as per the equity method	230.536	144.365
7 Results brought forward	295.073	13.380
Equity in total	525.622	157.758
Liabilities		
Trade creditors	11	5
Debt to group enterprises	46	281.745
Other debts	104	124
Short-term liabilities in total	161	281.874
Liabilities in total	161	281.874
Equity and liabilities in total	525.783	439.632
1 Fee, auditor		
8 Contingencies		
9 Related parties		



Statement of changes in equity

EUR in thousands.

	<u>Contributed capital</u>	<u>Reserves for net revaluation as per the equity method</u>	<u>Results brought forward</u>	<u>In total</u>
Equity 1 January 2017	13	42.002	8.593	50.608
Share of results	0	107.733	-583	107.150
Distributed dividend	0	-5.370	0	-5.370
Dividend from group enterprises	0	0	5.370	5.370
Equity 1 January 2018	13	144.365	13.380	157.758
Share of results	0	86.171	-533	85.638
Cash capital increase	0	0	282.226	282.226
	13	230.536	295.073	525.622



Notes

EUR in thousands.

	<u>2018</u>	<u>2017</u>
1. Fee, auditor		
Total fee for Christensen Kjørulff	<u>7</u>	<u>7</u>
Fee concerning compulsory audit	3	3
Tax consultancy	1	1
Other services	<u>3</u>	<u>3</u>
	<u>7</u>	<u>7</u>
2. Other financial costs		
Financial costs, group enterprises	<u>515</u>	<u>573</u>
	<u>515</u>	<u>573</u>
3. Proposed distribution of the results		
Reserves for net revaluation as per the equity method	86.171	107.733
Allocated from results brought forward	<u>-533</u>	<u>-583</u>
Distribution in total	<u>85.638</u>	<u>107.150</u>



Notes

EUR in thousands.

	31/12 2018	31/12 2017
4. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2018	295.142	295.142
Cost 31 December 2018	295.142	295.142
Revaluations, opening balance 1 January 2018	144.366	42.002
Revaluations for the year	86.171	107.733
Dividend	0	-5.370
Revaluation 31 December 2018	230.537	144.365
Book value 31 December 2018	525.679	439.507

The financial highlights for the enterprises according to the latest approved annual reports

EUR in thousands	Share of ownership	Equity	Results for the year	Book value at Covivio Dansk Holding ApS
Covivio Dansk L ApS, Copenhagen	94,9 %	278.929	61.295	264.704
Covivio Berlin IV ApS, Copenhagen	100 %	260.975	28.002	260.975
		539.904	89.297	525.679

5. Contributed capital

Contributed capital 1 January 2018	13	13
	13	13

The share capital consists of 100.000 shares, each with a nominal value of 0,134 EUR

Within the past 5 years, the following changes in the share capital have taken places:
2014, Capital increase of EUR 2.680

6. Reserves for net revaluation as per the equity method

Reserves for net revaluation 1 January 2018	144.365	42.002
Share of results	86.171	107.733
Distributed dividend	0	-5.370
	230.536	144.365



Notes

EUR in thousands.

	<u>31/12 2018</u>	<u>31/12 2017</u>
7. Results brought forward		
Results brought forward 1 January 2018	13.380	8.593
Profit or loss for the year brought forward	-533	-583
Dividend from group enterprises	0	5.370
Cash capital increase	<u>282.226</u>	<u>0</u>
	<u>295.073</u>	<u>13.380</u>

8. Contingencies

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and, as from the financial year 2012, unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

As from 1 July 2012, the company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The total tax payable under the joint taxation amounts to t.EUR 0 thousand.

The liability relating to obligations in connection with withholding tax on dividends, interest and royalties represents an estimated maximum of t.EUR 0.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

9. Related parties

Controlling interest

Covivio Immobilien GmbH
Friedrichstrasse 15
70174 Stuttgart
Tyskland

Majority shareholder

Other related parties

Covivio Dansk L ApS
Covivio Berlin IV ApS

Subsidiary

Subsidiary



Notes

EUR in thousands.

Transactions

All transactions have taken place on arm's-lengths basis, except from the transaction below:

	<u>2018</u>
Group contribution	282.226

Consolidated annual accounts

None of the company's parent companies present consolidated annual accounts.



Accounting policies used

The annual report for Covivio Dansk Holding ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (large enterprises).

The annual report is presented in euro (EUR).

The accounting policies used are unchanged compared to last year, and the annual report is presented in euro (EUR).

No consolidated annual accounts have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The annual accounts of Covivio Dansk Holding ApS and its group enterprises are included in the consolidated annual accounts for Covivio Immobilien SE, Germany, reg. nr. HRB 26385.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts of Covivio Immobilien SE.

The consolidated annual accounts for Covivio Immobilien SE can be found on the following link:
<https://www.unternehmensregister.de/ureg/result.html;jsessionid=4074B9A2B226E7C217B3C5822BAAF21E.web03-1?submission=showDocument&id=23737116>

The profit and loss account

Other external costs

Other external costs comprise costs for administration.

Other operating costs

Other operating costs comprise accounting items of secondary nature in proportion to the principal activities of the enterprise.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss and deduction of amortisation of consolidated goodwill, the equity investment in the individual group enterprises are recognised in the profit and loss account at a proportional share of the group enterprises' results after tax.



Accounting policies used

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Financial fixed assets

Equity investments in group enterprises

Equity investments in group enterprises are recognised in the balance sheet at a proportional share under the equity method, the value being calculated on the basis of the accounting policies of the parent company by the deduction or addition of unrealised intercompany profits and losses, and with the addition or deduction of residual value of positive or negative goodwill measured by applying the acquisition method.

Group enterprises and associated enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds the debtors, the residual amount is recognised under liability provisions to the extent the parent has a legal or actual liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost, the net revaluation of equity investments in group enterprises are transferred to the reserves under the equity for net revaluation as per the equity method. Dividends from group enterprises expected to be decided before the approval of this annual report are not subject to a limitation of the revaluation reserves. The reserves are adjusted by other equity movements in group enterprises.

Newly taken over or newly established companies are recognised in the annual accounts as of the time of acquisition. Sold or liquidated companies are recognised at the time of cession.

Profit or loss in connection with the sale of group enterprises are measured as the difference between the sales amount and the book value of net assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and cession. Profit and loss are recognised in the profit and loss account under net financials.



Accounting policies used

In connection with the acquisition of new group enterprises and associated enterprises, the acquisition method is applied, by which the acquirees' assets and liabilities are measured at fair value at the time of acquisition. Provisions for payment of costs for decided restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of the revaluations carried out is taken into consideration.

Positive differences (goodwill) between cost and fair value of identifiable, acquired assets and liabilities, inclusive of liability provisions for restructuring, are recognised under equity investments in group enterprises, and they are amortised over their estimated useful life. The useful life is determined on the basis of the management's experience with the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a long-range earnings potential. The book value of goodwill is evaluated currently and written down in the profit and loss account in those cases where the book value exceeds the expected future net income from the enterprise or the activity, to which the goodwill is attached.

Debtors

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Equity

Reserves for net revaluation as per the equity method

Reserves for net revaluation as per the equity method comprise net revaluation of equity investments in subsidiaries and associates in proportion to cost.

The reserves may be eliminated in case of losses, realisation of equity investments or changes in the financial estimates.

It is not possible to recognise the reserves with a negative amount.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

Covivio Dansk Holding ApS is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Covivio Dansk Holding ApS is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.



Accounting policies used

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

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