



**CHRISTENSEN
KJÆRULFF**

PERSONLIGT ENGAGEMENT

STATSAUTORISERET
REVISIONSAKTIESKAB

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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 2019

The annual report has been submitted and approved by the general meeting on the 27 August 2020.

Daniel Frey
Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS 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 2019.

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 2019 and of the company's results of its activities in the financial year 1 January to 31 December 2019.

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

We recommend that the annual report be approved by the general meeting.

Copenhagen, 13 August 2020

Executive board

A blue ink signature consisting of several overlapping loops and a long horizontal stroke at the end.

Arnaud Brément
Managing Director

A blue ink signature with a large, rounded initial 'M' and a few smaller strokes below it.

Myriam Despas

A blue ink signature with a large, vertical loop on the left and several smaller, more complex strokes on the right.

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 2019, 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 2019 and of the results of the company's operations for the financial year 1 January to 31 December 2019 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, 13 August 2020

Christensen Kjarulff

Statsautoriseret Revisionsaktieselskab
Company reg. no. 15 91 56 41

Iver Haugsted
State Authorised Public Accountant
mne10678



Company information

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
6th financial year

Executive board

Arnaud Brément, Managing Director
Myriam Despas
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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Profit and loss account:				
Gross profit	-10	-16	-9	-2
Results from operating activities	-10	-18	-9	-3
Net financials	99.533	85.656	107.160	37.842
Results for the year	99.523	85.638	107.150	37.839
Balance sheet:				
Balance sheet sum	625.282	525.783	439.632	337.448
Equity	625.145	525.622	157.758	50.609
Key figures in %:				
Acid test ratio	51,1	64,6	0,0	0,1
Solvency ratio	100,0	100,0	35,9	15,0
Return on equity	17,3	25,1	102,8	150,0

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



Management commentary

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 99.523 against t.EUR 85.638 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 Corona / COVID-19 presents challenges and risks for the company.

Corona / COVID-19 has or may have a significant impact on the number of customers, nationally or internationally, as a result of the recommendations and orders given by the political team. Given the major uncertainty Corona / COVID-19 has created and the uncertainty about the duration of the situation, it is currently not possible to make a reasonable assessment of the financial consequences of the Corona crisis. On the same basis, it is not possible to express a sufficiently secure expectation of revenue and profit before tax. So far, however, management believes that the company has the necessary liquidity and credit facilities to continue its operations.

Prior to the Corona / COVID-19, expectations were a result in line with 2019.

Events subsequent to the financial year

Subsequent to the balance sheet date the government in Germany implemented a new law in Berlin (Berlin Mietendeckel). The new law states that the rent level for all existing apartments will be frozen for five years. The price cap shall apply for both existing leases to new leases. According to the new law the increase in rent due to modernization can only be 0,5 EUR/m².



Management commentary

Covivio Dansk Holding ApS holds shares in companies with investment properties in Berlin. The management believes that the law will not affect the fair value calculation of the investment properties as investors will accept a lower yield.

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/>

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 has in 2019 found one woman to the board based on an overall assessment of competencies and continuity.



Income statement 1 January - 31 December

EUR in thousands.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Other external costs	-10	-16
Gross profit	-10	-16
Other operating costs	0	-2
Operating profit	-10	-18
Income from equity investments in group enterprises	99.533	86.171
3 Other financial costs	0	-515
Pre-tax net profit or loss	99.523	85.638
Tax on ordinary results	0	0
4 Net profit or loss for the year	99.523	85.638



Statement of financial position 31 December

EUR in thousands.

Assets			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Non-current assets			
5	Equity investments in group enterprises	<u>625.212</u>	<u>525.679</u>
	Total investments	<u>625.212</u>	<u>525.679</u>
	Total non-current assets	<u>625.212</u>	<u>525.679</u>
Current assets			
	Other debtors	<u>70</u>	<u>104</u>
	Total receivables	<u>70</u>	<u>104</u>
	Total current assets	<u>70</u>	<u>104</u>
	Total assets	<u>625.282</u>	<u>525.783</u>



Statement of financial position 31 December

EUR in thousands.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Equity			
6	Contributed capital	13	13
7	Reserves for net revaluation as per the equity method	330.069	230.536
8	Results brought forward	295.063	295.073
	Total equity	<u>625.145</u>	<u>525.622</u>
Liabilities other than provisions			
	Trade creditors	12	11
	Debt to group enterprises	55	46
	Other debts	70	104
	Total short term liabilities other than provisions	<u>137</u>	<u>161</u>
	Total liabilities other than provisions	<u>137</u>	<u>161</u>
	Total equity and liabilities	<u>625.282</u>	<u>525.783</u>

1 Subsequent events

2 Fee, auditor

9 Contingencies

10 Related parties



Statement of changes in equity

EUR thousand.

	<u>Contributed capital</u>	<u>Reserve for net revalua-tion according to the eq- uity method</u>	<u>Retained earnings</u>	<u>Total</u>
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
Equity 1 January 2019	13	230.536	295.073	525.622
Share of results	0	99.533	-10	99.523
	13	330.069	295.063	625.145



Notes

EUR in thousands.

1. Subsequent events

Subsequent to the balance sheet date the government in Germany implemented a new law in Berlin (Berlin Mietendeckel). The new law states that the rent level for all existing apartments will be frozen for five years. The price cap shall apply for both existing leases to new leases. According to the new law the increase in rent due to modernization can only be 0,5 EUR/m2.

Covivio Dansk Holding ApS holds shares in companies with investment properties in Berlin. The management believes that the law will not affect the fair value calculation of the investment properties as investors will accept a lower yield.

	<u>2019</u>	<u>2018</u>
2. 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>
3. Other financial costs		
Financial costs, group enterprises	<u>0</u>	<u>515</u>
	<u>0</u>	<u>515</u>
4. Proposed distribution of the results		
Reserves for net revaluation as per the equity method	99.533	86.171
Allocated from results brought forward	<u>-10</u>	<u>-533</u>
Distribution in total	<u>99.523</u>	<u>85.638</u>



Notes

EUR in thousands.

	<u>31/12 2019</u>	<u>31/12 2018</u>
5. Equity investments in group enterprises		
Acquisition sum, opening balance 1 January 2019	295.142	295.142
Cost 31 December 2019	<u>295.142</u>	<u>295.142</u>
Revaluations, opening balance 1 January 2019	230.537	144.366
Revaluations for the year	99.533	86.171
Revaluation 31 December 2019	<u>330.070</u>	<u>230.537</u>
Book value 31 December 2019	<u>625.212</u>	<u>525.679</u>

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 %	334.667	55.738	317.599
Covivio Berlin IV ApS, Copenhagen	100 %	307.613	46.638	307.613
		<u>642.280</u>	<u>102.376</u>	<u>625.212</u>

6. Contributed capital

Contributed capital 1 January 2019	<u>13</u>	<u>13</u>
	<u>13</u>	<u>13</u>

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

7. Reserves for net revaluation as per the equity method

Reserves for net revaluation 1 January 2019	230.536	144.365
Share of results	99.533	86.171
	<u>330.069</u>	<u>230.536</u>



Notes

EUR in thousands.

	<u>31/12 2019</u>	<u>31/12 2018</u>
8. Results brought forward		
Results brought forward 1 January 2019	295.073	13.380
Profit or loss for the year brought forward	-10	-533
Cash capital increase	<u>0</u>	<u>282.226</u>
	<u>295.063</u>	<u>295.073</u>

9. 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 EUR 0 thousand.

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

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

10. Related parties

Controlling interest

Covivio Immobilien GmbH
Friedrichstrasse 15
70174 Stuttgart
Germany

Majority shareholder

Transactions

All transactions have taken place on arm's-lengths basis.



Notes

EUR in thousands.

Consolidated annual accounts

The company is included in the consolidated annual accounts of Covivio Immobilien SE, Essener Str. 66, D-46047 Oberhausen, Germany.



Accounting policies

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 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>

Income statement

Other operating income

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

Other external costs

Other external costs comprise costs for administration.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation, amortisation and writedown for the year and gains and losses on disposal of intangible and tangible fixed assets.

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.



Accounting policies

Results from equity investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual group enterprises are recognised in the income statement as a proportional share of the group enterprises' post-tax profit or loss.

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 statement of financial position as a proportional share of the enterprise's equity value. This is calculated on the basis of the accounting policies of the parent less/plus unrealised intercompany profits and losses, and less/plus residual value of positive or negative goodwill measured by applying the purchase method.

Group enterprises with negative equity are recognised at no value and, to the extent they are considered irrevocable, amounts owed by these companies are made subject to impairment by the parent's share of the equity. If the negative equity exceeds the receivables, the residual amount is recognised under liability provisions to the extent that the parent has a legal or actual liability to cover the negative equity of these subsidiaries.

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

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.



Accounting policies

Profit or loss in connection with the disposal of group enterprises are measured as the difference between the sales amount and the carrying amount of net assets at the time of sale, inclusive of remaining consolidated goodwill and expected costs of sale or liquidation. Profit and loss are recognised in the income statement under net financials.

For the acquisition of new group enterprises, the purchase 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 pre-determined restructuring activities in the acquirees in relation to the acquisition are recognised. The tax effect of revaluations 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 are amortised over their estimated useful economic life. The useful life is determined on the basis of management's experience in the individual business areas. The amortisation period is maximum 20 years, being the longer for strategical acquirees with a strong market position and a longterm earnings potential. The carrying amount of goodwill is subject to impairment tests on a continuing basis and written down in the income statement in those cases when the carrying amount exceeds the expected future net income from the enterprise or the activity to which the goodwill is attached.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries and associates proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by 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.



Accounting policies

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.

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.