

Core Bolig III Investoraktieselskab II

c/o Cobblestone A/S, Gammel Køge Landevej 57, 3.
2500 Valby
Denmark

CVR no. 35 20 64 77

Annual report 2019

The annual report was presented and approved at the
Company's annual general meeting on

20 May 2020

chairman

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Core Bolig III Investoraktieselskab II for the financial year 1 January – 31 December 2019.

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

In our opinion, the financial statements 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 – 31 December 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen 20 May 2020
Executive Board:

Louise Hertz

Board of Directors:

Nathalie Marion-Denise
Winkelmann

Timm Anton Grün

Keld Jessen

Louise Hertz

Independent auditor's report

To the shareholders of Core Bolig III Investoraktieselskab II

Opinion

We have audited the financial statements of Core Bolig III Investoraktieselskab II for the financial year 1 January – 31 December 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 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 – 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 (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 that 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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

- identify and assess the risks of material misstatement of the company 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

Independent auditor's report

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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

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

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 20 May 2020

KPMG

Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Michael Tuborg
State Authorised
Public Accountant
mne24621

Core Bolig III Investoraktieselskab II
Annual report 2019
CVR no. 35 20 64 77

Management's review

Company details

Core Bolig III Investoraktieselskab II
c/o Cobblestone A/S
Gammel Køge Landevej 57, 3.
2500 Valby
Denmark

CVR no.:	35 20 64 77
Established:	25 March 2013
Financial year:	1 January – 31 December

Board of Directors

Nathalie Marion-Denise Winkelmann
Timm Anton Grün
Keld Jessen
Louise Hertz

Executive Board

Louise Hertz

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen
Denmark

Annual general meeting

The annual general meeting will be held on 20 May 2020.

Management's review

Operating review

Principal activities

The purpose of the entity is to be the holding company and conduct business in real estate investment, management and real estate management, real estate development and other related activities.

Development in activities and financial position

The company's income statement for the year shows a profit of DKK 3,999 thousand (2018: DKK 4,469 thousand). The balance sheet shows an equity of DKK 54,551 thousand (2018: DKK 52,768 thousand).

Events after the balance sheet date

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2019	2018
Gross loss		-84	-76
Operating loss		-84	-76
Income from other equity investments and securities		4,870	6,181
Profit before tax		4,786	6,105
Tax on profit/loss for the year		-787	-1,636
Profit for the year		3,999	4,469
Proposed profit appropriation			
Extraordinary dividends paid		-2,216	0
Proposed dividends for the financial year		2,632	0
Retained earnings		1,367	4,469
		1,783	4,469

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2019	31/12 2018
ASSETS			
Fixed assets			
Investments	3		
Other equity investments and securities		63,754	61,099
Total fixed assets		63,754	61,099
DKK'000			
Receivables			
Receivables from group entities		1,912	0
Corporation tax		0	504
		1,912	504
Total current assets		1,912	504
TOTAL ASSETS		65,666	61,603

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2019	31/12 2018
EQUITY AND LIABILITIES			
Equity			
Share capital		10,800	10,800
Share premium		0	12,630
Retained earnings		41,119	29,338
Proposed dividends for the financial year		2,632	0
Total equity		54,551	52,768
Provisions			
Provisions for deferred tax		7,836	7,746
Total provisions		7,836	7,746
Liabilities other than provisions			
Current liabilities other than provisions			
Payables to group entities		2,235	117
Corporation tax		1,014	504
Other payables		30	468
		3,279	1,089
Total liabilities other than provisions		3,279	1,089
TOTAL EQUITY AND LIABILITIES		65,666	61,603
Average number of employees			
	2		
Contractual obligations, contingencies, etc.			
	4		
Related party disclosures			
	5		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Share premium	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 January 2019	10,800	12,630	29,338	0	52,768
Transferred over the distribution of profit	0	0	1,367	2,632	3,999
Extraordinary dividends paid	0	0	-2,216	0	-2,216
Transfer from share premium account	0	-12,630	12,630	0	0
Equity at 31 December 2019	10,800	0	41,119	2,632	54,551

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Core Bolig III Investoraktieselskab II for 2019 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

The gross profit/loss reflects other external costs.

Other external costs

Other external costs comprise administration costs.

Income from other equity investments and securities

Income from other equity investments and securities comprises realised capital gains and losses from other equity investments and securities recognised as investments.

Tax on profit for the year

The Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Balance sheet

Other equity investments and securities

Other securities and equity investments included in investment comprise shares in Core Bolig III Kommanditaktieselskab. The equity investments are measured at fair value.

The investments in Core Bolig III Kommandiaktieselskab are recognised at the proportional ownership of the total fair value of the Limited Partnership. The fair value of the Limited Partnership is measured at the net asset value.

Liabilities other than provisions

Liabilities are measured at net realisable value.

Corporation tax and deferred tax

Current tax receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 January – 31 December

Notes

2 Average number of employees

	31/12 2019	31/12 2018
Average number of full-time employees	0	0
	0	0

3 Investments

DKK'000	Other equity investments and securities
Cost at 1 January 2019	23,415
Cost at 31 December 2019	23,415
Revaluations at 1 January 2019	37,684
Revaluations for the year	4,871
Dividends paid	-2,216
Revaluations 31 December 2019	40,339
Carrying amount at 31 December 2019	63,754

4 Contractual obligations, contingencies, etc.

The Company is jointly taxed with the group companies subject to the Danish scheme of joint taxation. Ejendomsselskabet PADK-3 ApS is the administrative company for reporting of the joint taxation to the Danish Tax Authorities.

Guarantees

The company has provided self-liability for credit institutions regarding Core Bolig III Kommanditaktieselskab's total balances with credit institutions.

The company has provided collateral of DKK 1,000 thousand regarding Core Bolig III Kommanditaktieselskab with credit institutions.

5 Related party disclosures

The financial statements of Core Bolig III Investoraktieselskab II is included in the consolidated financial statements of Ejendomsselskabet PADK-3 ApS, c/o Cobblestone A/S, Gammel Køge Landevej 57, 3., 2500 Valby, where they can be obtained.