

EJENDOMSSELSKABET AF 19.12.2014 P/S

Gammel Køge Landevej 57, 3.
2500 Valby
Business Registration No
36470496

Annual report 2018

The Annual General Meeting adopted the annual report on 22.05.2019

Chairman of the General Meeting



Name: Carolin Maria Förster

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's report	3
Management commentary	6
Income statement for 2018	7
Balance sheet at 31.12.2018	8
Statement of changes in equity for 2018	10
Notes	11
Accounting policies	13

Entity details

Entity

EJENDOMSSELSKABET AF 19.12.2014 P/S
Gammel Køge Landevej 57, 3.
2500 Valby

Central Business Registration No (CVR): 36470496
Registered in: København
Financial year: 01.01.2018 - 31.12.2018

Board of Directors

Louise Hertz
Karoline Ulrike Krames
Carolin Maria Förster

Executive Board

Carolin Maria Förster

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 EJENDOMSELSKABET AF 19.12.2014 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, 22.05.2019

Executive Board



Carolin Maria Förster

Board of Directors



Louise Hertz



Karoline Ulrike Krames



Carolin Maria Förster

Independent auditor's report

To the shareholders of EJENDOMSSELSKABET AF 19.12.2014 P/S

Opinion

We have audited the financial statements of EJENDOMSSELSKABET AF 19.12.2014 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.

Other matter

With effect from this financial year, we have been appointed as auditors of the Company. In this connection, we must emphasise that this auditor's report does not include the comparative figures in the income statement in the financial statements.

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

Independent auditor's report

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:

- 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.

Independent auditor's report

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.

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, 22.05.2019

Deloitte

Statsautoriseret Revisionspartnerselskab
Central Business Registration No (CVR) 33963556



Thomas Heilmann
State Authorised Public Accountant
Identification No (MNE) mne26740

Management commentary

Primary activities

The objects of the company are to buy, develop, hold and sell real estate, to issue corporate bonds, and any business related hereto.

Development in activities and finances

The Company's income statement for the year ended 31 December 2018 showed a profit of DKK 83,819 thousand and the Company's balance sheet at 31 December 2018 showed equity of DKK 152,676 thousand.

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 profit/loss		3.661.113	(40.044)
Fair value adjustments of investment property		<u>81.478.720</u>	<u>0</u>
Operating profit/loss		85.139.833	(40.044)
Other financial expenses	2	<u>(1.320.941)</u>	<u>0</u>
Profit/loss for the year		<u>83.818.892</u>	<u>(40.044)</u>
Proposed distribution of profit/loss			
Retained earnings		<u>83.818.892</u>	<u>(40.044)</u>
		<u>83.818.892</u>	<u>(40.044)</u>

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Investment property		280.000.000	170.667.112
Property, plant and equipment	3	280.000.000	170.667.112
Fixed assets		280.000.000	170.667.112
Receivables from group enterprises		8.630	0
Other receivables		101.348	0
Prepayments		0	2.375
Receivables		109.978	2.375
Cash		4.631.753	2.058.715
Current assets		4.741.731	2.061.090
Assets		284.741.731	172.728.202

Balance sheet at 31.12.2018

	<u>Notes</u>	<u>2018 DKK</u>	<u>2017 DKK</u>
Contributed capital		501.000	500.000
Retained earnings		<u>152.174.806</u>	<u>(143.086)</u>
Equity		<u>152.675.806</u>	<u>356.914</u>
Mortgage debt		<u>124.732.353</u>	<u>0</u>
Non-current liabilities other than provisions		<u>124.732.353</u>	<u>0</u>
Current portion of long-term liabilities other than provisions		0	33.684.548
Bank loans		0	138.181.965
Deposits		3.129.238	0
Prepayments received from customers		1.227.020	0
Trade payables		306.437	37.500
Payables to group enterprises		927.500	0
Other payables		<u>1.743.377</u>	<u>467.275</u>
Current liabilities other than provisions		<u>7.333.572</u>	<u>172.371.288</u>
Liabilities other than provisions		<u>132.065.925</u>	<u>172.371.288</u>
Equity and liabilities		<u>284.741.731</u>	<u>172.728.202</u>
Staff costs	1		
Contingent liabilities	4		
Related parties with controlling interest	5		

Statement of changes in equity for 2018

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500.000	(143.086)	356.914
Increase of capital	1.000	68.499.000	68.500.000
Profit/loss for the year	0	83.818.892	83.818.892
Equity end of year	501.000	152.174.806	152.675.806

Notes

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

	<u>2018</u>	<u>2017</u>
	<u>DKK</u>	<u>DKK</u>
2. Other financial expenses		
Other interest expenses	1.313.320	0
Other financial expenses	<u>7.621</u>	<u>0</u>
	<u>1.320.941</u>	<u>0</u>

	<u>Investment property DKK</u>
3. Property, plant and equipment	
Cost beginning of year	<u>170.667.112</u>
Cost end of year	<u>170.667.112</u>
Revaluations for the year	<u>109.332.888</u>
Revaluations end of year	<u>109.332.888</u>
Carrying amount end of year	<u>280.000.000</u>

The company's investment property is a residential building with 68 residential units, a single commercial unit and a parking lot with 27 parking places located in Copenhagen S. The investment property, cf. the description of accounting policies, is measured at fair value based on a discounted cash flow valuation model.

Yield, which are the basis for the terminal value and discount rate is fixed for the individual property in consideration of location, condition, tenant mix, non-terminability profile, tenants' standing and on an estimate of how the general property market is developing.

Yield used for the valuation at 31 December 2018 is 3.7%. An increase in the required rate of return by 0.5% points will reduce the fair value by approx. 33 mio. DKK.

The property is valued at 39.700 DKK per sq m.

An external appraiser has been used to determine the fair value.

Notes

4. Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Ejendomsselskabet PADK-2 ApS 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. Related parties with controlling interest

The financial statements of Ejendomsselskabet af 19.12.2014 P/S is including in the consolidated financial statements of BIF II SCS SICAV-SIF, 2-4 Rue Beck L-1222 Luxembourg, where they can be obtained.

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.

No tax is recognized as the company is not an independent entity liable to taxation. The shareholder are liable to pay tax dependent on the shareholders individual financial position

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Fair value adjustments of investment property

Fair value adjustment of investment property comprises adjustments for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet

Investment property

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date.

Accounting policies

Fair value is determined by using the DCF model as the calculated value in use of expected cash flows from each property. To determine expected cash flows, the budgeted cash flows for each property is used including increases in price and rent levels, as well as a calculated terminal value which reflects the amount of normalised cash flows expected to be generated by the property after the budget period. The cash flows so calculated are discounted to net present value by using a discount rate that is estimated to reflect current market required yield rates for similar properties inclusive of expected inflation.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.