

Langkilde Have P/S

c/o Newsec PAM Denmark A/S
Lyngby Hovedgade 4
2800 Kongens Lyngby

CVR No. 37759171

Annual Report 2020

5. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 5 July 2021

Steffen Freddie Lange
Chairman

Langkilde Have P/S

Contents

Management's Statement	3
Independent Auditors' Report	4
Company Information	6
Management's Review	7
Accounting Policies	8
Income Statement	11
Balance Sheet	12
Statement of changes in Equity	14
Notes	15

Langkilde Have P/S

Management's Statement

Today, Management has considered and adopted the Annual Report of Langkilde Have P/S for the financial year 1 January 2020 - 31 December 2020.

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 assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Kongens Lyngby, 5 July 2021

Executive Board

Leif Fredrik Ingemar Söderlund

Supervisory Board

Holger Leonhard Zilleken
Chairman

David James Wingrove
Member

Leif Fredrik Ingemar Söderlund
Member

Independent Auditors' Report

To the shareholders of Langkilde Have P/S

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2020 and of the results of its operations and cash flows for the financial year 1 January 2020 - 31 December 2020 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of Langkilde Have P/S for the financial year 1 January 2020 - 31 December 2020, which comprise an income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, 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.

Statement on 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 opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

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 as Management considers 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 either liquidate the Company or suspend operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is no guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect material misstatements. Misstatements

Independent Auditors' Report

can arise from fraud or error and can be considered material if it would be reasonable to expect that these - either individually or collectively - could influence the economic decisions taken by the users of financial statements on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism throughout the audit. We also:

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Company's internal control.
- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements 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 internal control which we identify during our audit.

Copenhagen, 5 July 2021

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231

Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198

Langkilde Have P/S

Company details

Company	Langkilde Have P/S c/o Newsec PAM Denmark A/S Lyngby Hovedgade 4 2800 Kongens Lyngby
CVR No.	37759171
Date of formation	30 May 2016
Registered office	Lyngby-Taarbæk
Supervisory Board	Holger Leonhard Zilleken David James Wingrove Leif Fredrik Ingemar Söderlund
Executive Board	Leif Fredrik Ingemar Söderlund
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

Management's Review

The Company's principal activities

The Company's principal activities consist in investment in real estate and related activities.

Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of DKK 9.451.223 and the Balance Sheet at 31 December 2020 a balance sheet total of DKK 104.528.776 and an equity of DKK 51.105.980.

Uncertainties relating to recognition and measurement in the financial statements

Investments are valued at their fair values, according to the description in Accounting policies.

The valuation includes accounting estimates and such valuation is therefore subject to some uncertainty. Please refer to note 3 and 4.

The outbreak of Covid-19 and the measures taken by governments around the world to mitigate its effects are having a major impact on the world economy.

The valuation of the company's investment property per. December 31, 2020 is based on presumptions that may be different from those that management has at the time of approval of the annual report.

Expected development of the company, including specific prerequisites and uncertainties

It is management's assessment that the current situation in regards to Covid-19 will have limited effect on the Company's activities, as the demand for rental housing is not highly impacted by Covid-19. Therefore management's view is that the Covid-19 crisis does not have a material impact on the Company's activities in 2021.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The Annual Report of Langkilde Have P/S for 2020 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B entities and elective choice of certain applying reporting class C entities.

The accounting policies applied remain unchanged from last year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue and other external expenses.

Revenue

Revenue comprises rental income from the leases of properties. Revenue is recognized on an actual basis.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Accounting Policies

Other external expenses

Other external costs include costs for administration, property costs, loss of debtors etc.

Property costs include costs incurred in operating the company's property portfolio in fiscal year, including repair and maintenance costs, property taxes and electricity, water and heat that is not charged directly to the tenants.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest income and expenses, finance charges in respect of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Dividends equity investments are recognised as income in the financial year in which the dividends are declared.

Balance Sheet

Investment property

Investment properties comprises investments in land and buildings for purposes of gaining a return on the invested capital in the form of regular operating income and/or capital gains on resale.

On acquisition, investment properties are measured at cost, comprising the purchase price, including purchase costs.

After the initial recognition, investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

An independent assessor firm has assessed the fair value of investment properties.

The fair value is determined using a DCF model, where the expected future cash flows are discounted to the present value. The calculations are based on the property's budget for the coming years.

The estimates applied are based on the information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often-assumed events do not occur as expected. Such difference may be material.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Cash and cash equivalents

Cash comprises cash balances and bank balances.

Accounting Policies

Financial liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Other liabilities, comprising deposits, trade payables and other payable, are measured at amortised cost, which usually corresponds to the nominal value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the balance sheet but appear only in the notes.

Langkilde Have P/S

Income Statement

	Note	2020 kr.	2019 kr.
Gross profit		2.117.421	3.482.039
Fair value adjustment of investment property		8.300.000	1.300.000
Profit from ordinary operating activities		10.417.421	4.782.039
Financial income	1	90.742	0
Financial expenses	2	-1.056.940	-829.494
Profit from ordinary activities before tax		9.451.223	3.952.545
Profit		9.451.223	3.952.545
Proposed distribution of results			
Retained earnings		9.451.223	3.952.545
Distribution of profit		9.451.223	3.952.545

Langkilde Have P/S

Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
Assets			
Investment property	3	96.600.000	88.300.000
Property, plant and equipment		96.600.000	88.300.000
Fixed assets		96.600.000	88.300.000
Short-term receivables from group enterprises		6.586.442	4.870.000
Other short-term receivables		380.488	407.741
Receivables		6.966.930	5.277.741
Cash and cash equivalents		961.846	159.377
Current assets		7.928.776	5.437.118
Assets		104.528.776	93.737.118

Langkilde Have P/S

Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
Liabilities and equity			
Contributed capital		501.000	501.000
Retained earnings		50.604.980	35.639.172
Equity		51.105.980	36.140.172
Mortgage debt		24.189.635	45.660.133
Long-term debt to group enterprises		17.562.739	0
Other payables		9.841.562	8.313.809
Long-term liabilities other than provisions	5	51.593.936	53.973.942
Short-term part of long-term liabilities other than provisions	6	1.039.226	1.534.257
Trade payables		789.634	2.271
Other payables		0	2.086.476
Short-term liabilities other than provisions		1.828.860	3.623.004
Liabilities other than provisions within the business		53.422.796	57.596.946
Liabilities and equity		104.528.776	93.737.118
Contingent liabilities	7		
Related parties	8		

Langkilde Have P/S

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2020	501.000	35.639.172	36.140.172
Profit (loss)	0	9.451.223	9.451.223
Contribution from group	0	5.514.585	5.514.585
Equity 31 December 2020	501.000	50.604.980	51.105.980

Notes

	2020 kr.	2019 kr.
1. Financial income		
Interest income, group enterprises	90.742	0
	90.742	0
2. Financial expenses		
Interest expense, group enterprises	434.778	0
Other finance expenses	622.162	829.495
	1.056.940	829.495
3. Investment property		
Cost at the beginning of the year	72.452.875	72.452.875
Cost at the end of the year	72.452.875	72.452.875
Fair value adjustments at the beginning of the year	15.847.125	14.547.125
Adjustments for the year	8.300.000	1.300.000
Fair value adjustments at the end of the year	24.147.125	15.847.125
Carrying amount at the end of the year	96.600.000	88.300.000

4. Assumptions underlying the determination of fair value of investment properties

Administrative expenses total 1,4% of rentals.

Maintenance costs total 2,3% of rentals

Vacancy on area total 19,5%.

Market value per sqm total 30.235 DKK.

Rate of return 4,03%.

The valuation is based on a rate of return of 4,03%. If the valuation was based on 3,78% the value would be T.DKK 102.989 and if the valuation was 4,28% the value would be T.DKK 90.957. The earnings used for the valuation is the estimated rent and cost on a normalised basis.

Change in average rate of return	- 0,25%	Base	0,25%
	T.DKK	T.DKK	T.DKK
Rate of return	3,78%	4,03%	4,28%
Fair value	102.989	96.600	90.957
Change in fair value	6.389	0	-5.643

Notes

5. Long-term liabilities

Of the long-term liabilities 41.752 T.DKK falls due for payment after more than 5 years after the balance sheet date.

6. Long-term liabilities, other payables

Of the long-term liabilities, other payables, DKK 9.841.562 falls due for payment after more than 5 years after the balance sheet date.

Other payables comprise of deposits, prepaid rent and VAT liability.

7. Contingent liabilities

The company is jointly taxed with DK Cornerstone Holdco ApS, CVR no 37 86 05 22, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

The Danish group enterprises have joined a accession agreement and all Danish group enterprises are jointly and severally liable for any and all Loans and for all other parts of the Secured Liabilities in the Danish group enterprises. The contingent liability is limited to the maximum equity of the individual companies. The Secured Liabilities is disclosed in the Annual Report for each Danish group enterprise.

8. Related parties

Related parties with controlling interest:

AXA Investment Managers Deutschland GmbH

The company is included in the consolidated financial statements of AXA Investment Managers Deutschland GmbH. The consolidated financial statements can be obtained upon request from the parent company.