CL Denmark ApS

Bryghuspladsen 8, 3rd floor
1473 Copenhagen K
Central Business Registration
No 38330780

Annual report 01.01.2019 - 30.06.2020

The Annual General Meeting adopted the annual report on 30.11.2020

Chairman of the General Meeting

Name: William Kanta

Contents

Entity details

Entity
CL Denmark ApS
Bryghuspladsen 8, 3rd floor
1473 Copenhagen K

Central Business Registration No (CVR): 38330780
Registered in: Copenhagen
Financial year: 01.01.2019 - 30.06.2020

Executive Board
Elizabeth Margaret Mary Turner
Christoph Friedrich
William Kanta

Auditors
EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Statement by Management on the annual report

The Executive Board have today considered and approved the annual report of CL Denmark ApS for the financial year 01.01.2019 - 30.06.2020.

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 Entity's financial position at 30.06.2020 and of the results of its operations and cash flows for the financial year 01.01.2019 - 30.06.2020.

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, 30.11.2020

Executive Board

Elizabeth Margaret Mary Turner	Christoph Friedrich	William Kanta

Independent auditor's report

To the shareholders of CL Denmark ApS

Opinion

We have audited the consolidated financial statements and the parent financial statements of CL Denmark ApS for the financial year 01.01.2019 - 30.06.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for the Group and the Parent Company, and the consolidated cash flow statement. The consolidated financial statements and the parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30.06.2020, and of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 01.01.2019 - 30.06.2020 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 consolidated financial statements and the parent financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent 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 additional requirements applicable in Denmark will always detect a material

Independent auditor's report

misstatement when it exists. Misstatements can 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 taken on the basis of the 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary 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 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, 30.11.2020

EY Godkendt Revisionspartnerselskab

Central Business Registration No (CVR) 30700228

Henrik Reedtz
State Authorised Public Accountant
Identification No (MNE) mne24830

Kaare Kristensen Lendorf
State Authorised Public Accountant
Identification No (MNE) mne33819

Management commentary

	2019/20 DKK'000
Financial highlights	
Key figures	
Gross profit	54,638
Operating profit/loss	178,814
Net financials	(36,945)
Profit/loss for the year	106,465
Total assets	1,825,731
Investments in property, plant and equipment	1,624,772
Equity	474,456
Cash flows from (used in) operating activities	(24,795)
Cash flows from (used in) investing activities	(239,207)
Cash flows from (used in) financing activities	309,035
Ratios	
Return on equity (%)	39.0
Equity ratio (%)	26.0

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Calculation formula reflects
Return on equity (%)	Profit/loss for the year x 100 / Average equity	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	Equity x 100 / Total assets	The financial strength of the entity.

Management commentary

Primary activities
Main activity
The Group's main activity is letting of real estate, primarily within the residential segment. As at the balance sheet date, the Group owns approx. 1,350 units, and the rental income is distributed with approx. 72% relating to residential and 28% relating to commercial units. The total valuation of the properties as per 30 June 2020 is calculated at DKK 1.72 billion.

During the financial year, the Group has entered into an agreement concerning acquisition of 469 newly built residential units based on a total agreed property value of DKK 879.6 million. The units will be delivered to the Group during the financial year 2020/21. The Group will then own 1,819 units, after which the rental income will be distributed with approx. 82% on residential and 18% on commercial units.

Development in activities and finances
The annual report for CL Denmark ApS for the period 1 January 2019 to 30 June 2020 includes the result of the Group's activities. It has been **a year of change** and the annual accounts are as expected and follows the Group's strategy as expected. The financial year is **characterized by extraordinary investments** in the renovation of the Group's properties and a double-digit million amount of non-recurring costs in connection with major transactions as described in more detail below and in the section on the Group's financial development:

- At 29 March 2019, CL Denmark ApS acquired 68 % of the shares in BoStad A/S and CL Denmark ApS became the ultimate Danish parent company from the acquisition date and must, therefore, prepare consolidated financial statements for the whole group in accordance with the Danish Financial Statements Act. In connection with the acquisition management have assessed that the acquisition as a group of single-assets that is not a business.

- On 14 April 2020, CL Denmark ApS published an announcement concerning compulsory **redemption of the minority shareholders**, refer sections 70 and 72 of the Danish Companies Act, and the compulsory redemption was completed by CL Denmark ApS on 20 May 2020.

- Following the published announcement concerning compulsory redemption of 14 April 2020 and given that the compulsory redemption would entail that CL Denmark ApS would become the owner of all A and B shares in the company, the Board of Directors submitted an application to Nasdaq Copenhagen A/S regarding **deletion of BoStad A/S' B shares from trading and official listing on Nasdaq Copenhagen A/S.** The application for delisting was accommodated, and the last trading day for the B shares was 13 May 2020.

- In accordance with the strategy to create a good framework for life and have a portfolio of highly maintained properties, the Group **has invested a double-digit million amount in maintenance of the Group's properties.**

- As part of the strategy to increase the residential portfolio in Danish, regional growth cities, the Group has **taken over 70 seven newbuild houses at Liseborg Plantage in Viborg.**

- In addition, during the financial year, the Group has entered into agreements concerning **acquisition of**

Management commentary

469 newly built residential units in the form of terraced houses and houses with flats. The new units are located in Kolding, Vejle and Silkeborg, respectively, and **will be delivered during the financial year 2020/2021. The projects are expected to increase the Group's revenue by up to DKK 51 million per year.**

- The rental income in the Group's property portfolio has been stable **despite Covid-19.** As at the balance sheet date, more than **99% of the Group's invoiced rent payments have been paid.**

- The adopted amendments to section **5(2) of the Danish Housing Regulation Act,** has had a **negative effect** on the value of the Group's properties of DKK 28 million, **corresponding to 1.6% of the value of the Group's total property portfolio** of DKK 1,717.3 million.

- During the financial year, a total of **approx. DKK 373 million in cash has been contributed as equity** to the Group.

Profit/loss for the year in relation to expected developments
Group
The operating profit for the year was DKK 178.8 million and operating profit for the year before fair value adjustments of investment properties was DKK 43.2 million.

Operating profit for the year before fair value adjustments of investment properties are negatively affected by a double-digit million amount on non-recurring costs primarily related to the acquisition of 469 newly built residential units, refinancing of debt, capital contributions, and delisting of shares.

Financial items for the year was DKK -36.9 million. For the year DKK -5.3 million is financial costs related to the refinancing of debt. Other increases in financial expenses relates to temporary bank loans and an increase in the margin.

Fair value adjustments of investment properties for the year was DKK 135.7 million.

Tax on profit for the year was DKK -35,4 million.

Parent
Profit for the year was DKK 0.1 million.

Uncertainty relating to recognition and measurement
The Group's investment properties are measured at fair value, which as at the balance sheet date amounts to DKK 1,717 million. The fair value is calculated for the individual properties on the basis of a number of assumptions, including the budgeted cash flows of the individual properties as well as established discount factors, refer to the discussion included in the description of applied accounting policies. The discount factors are set so that they are assessed to reflect the market's current required rate of return on similar properties, including expected inflation. There is uncertainty associated with the determination of the discount factors, and an increase in the discount factor by an average of 0.5 percentage points will reduce the total fair value by DKK 165 million, refer to the discussion included in note 1 to the accounts.

Management commentary

Outlook
The outlook for the future is based on the following assumptions:

- The profit expectations are essentially based on an **unchanged property portfolio with the addition of 469 newly built residential units**, which will be delivered during the financial year, refer above.

- The Group is contemplating **significant maintenance and CAPEX works** on its property portfolio.

- From the autumn of 2020, **the Group has taken over the property management on its portfolio, completed a project with streamlining processes and hired its own facility managers**. This is expected to result in a saving on the Group's operating costs.

The Group expects an operating profit before value adjustments in the range of DKK 55-60 million and a profit before tax and value adjustments in the range of DKK 25-30 million for the financial year 2020/21.

Particular risks
Risk factors and risk management
Risk management is part of the Group's strategy to ensure high earnings.

The real estate industry is cyclically sensitive, which is reflected, among other things, fluctuating real estate prices. The Board of Directors continuously assesses the overall risk factors and the individual risk factors associated with the Group's activities.

Risk parameters are assessed on the basis of reporting from, among others, the Group's partners within property management and letting, as well as the Group's advisers.

The Group's risk factors are divided into (a) operational, (b) financing and (c) liquidity risks.

(a) Operational risks
The operational risks consist of declining rental income and higher operating costs.

(b) Financing risks
The financing risk has been sought to be covered by the fact that the majority of the Group's financing is based on 20- and 30-year mortgage loans.

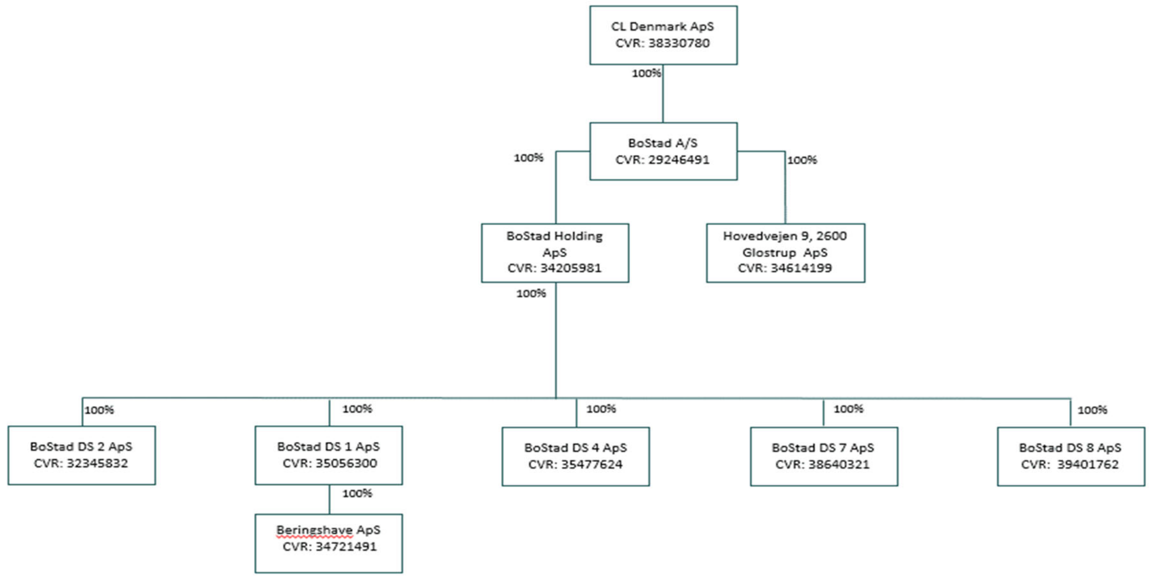
There is a general risk associated with the development in interest rates. The Group has tried to accommodate this risk by having a fixed interest rate for a period of at least 5 years on the majority of the Group's financing.

(c) Liquidity risks
The individual companies are structured in such a way that properties belonging to the same mortgagee are placed in the same company, whereby the companies are only liable for each other's debt obligations if the companies have the same mortgagee. The company has minimized its liquidity risks by entering into agreements on disposition of free cash flow with certain sources of financing.

Management commentary

Group relations

As at 30 June 2020, the Group is structured as set out below:



Events after the balance sheet date

- As part of its strategy to focus the Group's properties around residential properties in larger, regional cities in Denmark, the Group has **sold 12 smaller residential properties and 2 commercial properties** after the balance sheet date.

- The Group will **continue the ongoing renovation work on its existing portfolio of core properties** in the financial year 2020/21 in accordance with its strategy of creating a good framework for life and having a highly maintained property portfolio.

The above-mentioned events have not had a significant influence on the company's annual accounts for the financial year 2020/21, and no other events have occurred after the balance sheet date, which would significantly influence the evaluation of this annual report.

Consolidated income statement for 2019/20

	Notes	2019/20 DKK'000
Gross profit		**54,638**
Fair value adjustments of investment property		135,655
Staff costs	2	(11,016)
Depreciation, amortisation and impairment losses		(463)
Operating profit/loss		**178,814**
Other financial income		125
Other financial expenses		(37,070)
Profit/loss before tax		**141,869**
Tax on profit/loss for the year	3	(35,404)
Profit/loss for the year	4	**106,465**

Consolidated balance sheet at 30.06.2020

	Notes	2019/20 DKK'000
Investment property		1,717,243
Other fixtures and fittings, tools and equipment		509
Property, plant and equipment	5	**1,717,752**
Deposits		132
Other receivables		6,533
Fixed asset investments	6	**6,665**
Fixed assets		**1,724,417**
Manufactured goods and goods for resale		33,453
Inventories		**33,453**
Trade receivables		248
Other receivables		20,696
Income tax receivable		112
Prepayments	7	1,772
Receivables		**22,828**
Cash		**45,033**
Current assets		**101,314**
Assets		**1,825,731**

Consolidated balance sheet at 30.06.2020

	Notes	2019/20 DKK'000
Contributed capital		50
Retained earnings		474,406
Equity		**474,456**
Deferred tax	8	22,327
Provisions		**22,327**
Mortgage debt		1,122,789
Deposits		1,644
Other payables		18,281
Non-current liabilities other than provisions	9	**1,142,714**
Current portion of long-term liabilities other than provisions	9	36,540
Bank loans		96,960
Deposits		32,775
Trade payables		4,539
Income tax payable		890
Other payables		14,369
Deferred income		161
Current liabilities other than provisions		**186,234**
Liabilities other than provisions		**1,328,948**
Equity and liabilities		**1,825,731**
Uncertainty relating to recognition and measurement	1	
Unrecognised rental and lease commitments	11	
Contingent liabilities	12	
Assets charged and collateral	13	
Transactions with related parties	14	
Group relations	15	
Subsidiaries	16	

Consolidated statement of changes in equity for 2019/20

	Contributed capital DKK'000	Retained earnings DKK'000	Share of equity attributable to minority interests DKK'000	Total DKK'000
Equity beginning of year	50	(18)	0	32
Increase of capital	0	119,931	0	119,931
Group contributions etc	0	253,451	0	253,451
Other entries on equity	0	0	(5,423)	(5,423)
Profit/loss for the year	0	101,042	5,423	106,465
Equity end of year	**50**	**474,406**	**0**	**474,456**

Consolidated cash flow statement for 2019/20

	Notes	2019/20 DKK'000
Operating profit/loss		178,814
Amortisation, depreciation and impairment losses		463
Working capital changes	10	(10,339)
Fair value adjustments of investment properties		(135,655)
Cash flow from ordinary operating activities		**33,283**
Financial income received		121
Financial expenses paid		(37,070)
Income taxes refunded/(paid)		(21,129)
Cash flows from operating activities		**(24,795)**
Acquisition etc of property, plant and equipment		(19,317)
Sale of property, plant and equipment		101,254
Acquisition of BoStad A/S		(317,622)
Deposited		(3,522)
Cash flows from investing activities		**(239,207)**
Cash increase of capital		373,382
Net raised/repayments of loans ect		(64,347)
Cash flows from financing activities		**309,035**
Increase/decrease in cash and cash equivalents		**45,033**
Cash and cash equivalents end of year		**45,033**

Notes to consolidated financial statements

1. Uncertainty relating to recognition and measurement

On initial recognition, the Company's investment property is measured at cost, which comprises the acquisition price of the property and any costs directly related thereto. The investment property is subsequently measured at an estimated fair value calculated on the basis of the Discounted Cash Flow model (DCF model). The model is based on the future cash flows of the property, which are discounted at a fixed discount rate with adjustment of the risk of the individual property.

The significant assumptions used when determining the fair value are the annual changes in rental income and operating costs as well as the discount rate, which includes a required rate of return and inflation. On average, a discount rate of 6.44% has been used.

When calculating future cash flows, budgets have been prepared for each property, including rental income, vacancy, operating and maintenance costs, as well as improvement costs, and these have formed the basis for recognition in the DCF model. The budgeted rental income is based on the current rental situation, and a rent increase of 1.5% has been recognised based on the budgeted income or in accordance with concluded lease contracts, where specific rental prices have been agreed. Vacancy is also budgeted based on the current rental situation and is determined on the basis of the budgeted vacancy, and expected maintenance costs are budgeted for each property and projected by an annual increase of 1.5%. No valuation reports were obtained in the financial year 2019/20.

Sensitivity analysis

Fair value of investment properties amounts to 1,717 million as of 30 June 2020. The sensitivity is primary effect by changes in yield. The below mentioned figure shows the effect of a decrease or increase in yield.

	Change in yield	Fair value	Change in fair value
	%	*Million*	*Million*
Decrease in yield	-0.50	1,919	202
Decrease in yield	-0.25	1,811	94
Average	6.44	1,717	
Increase in yield	0.25	1,629	-88
Increase in yield	0.50	1,552	-165

Notes to consolidated financial statements

	2019/20 DKK'000
2. Staff costs	
Wages and salaries	9,247
Pension costs	1,267
Other social security costs	70
Other staff costs	432
	11,016

Remuneration of management in 2019/20 amounts DKK 0 million.

	2019/20 DKK'000
3. Tax on profit/loss for the year	
Change in deferred tax	35,404
	35,404

	2019/20 DKK'000
4. Proposed distribution of profit/loss	
Retained earnings	101,042
Minority interests' share of profit/loss	5,423
	106,465

	Investment property DKK'000	Other fixtures and fittings, tools and equipment DKK'000
5. Property, plant and equipment		
Transfers	102,133	0
Additions	1,622,652	2,120
Disposals	(143,197)	(1,552)
Cost end of year	**1,581,588**	**568**
Depreciation for the year	0	(226)
Reversal regarding disposals	0	167
Depreciation and impairment losses end of year	**0**	**(59)**
Fair value adjustments for the year	135,655	0
Fair value adjustments end of year	**135,655**	**0**
Carrying amount end of year	**1,717,243**	**509**

On initial recognition, investment property is measured at cost, which comprises the acquisition price of the

Notes to consolidated financial statements

property and any costs directly related thereto. Investment properties are subsequently measured at estimated fair value.

Insofar as the fair value of investment properties cannot be deduced from an active market, Management assesses an appropriate method to calculate the fair values. For this purpose, a discounted cash flow model (DCF model) is used, which is widely recognised for valuation of investment properties.

	Deposits DKK'000	Other receivables DKK'000
6. Fixed asset investments		
Additions	132	6,533
Cost end of year	**132**	**6,533**
Carrying amount end of year	**132**	**6,533**

7. Prepayments

Prepayments recognized under assets comprise expenses incurred relating to the following year.

	2019/20 DKK'000
8. Deferred tax	
Property, plant and equipment	22,327
	22,327
Changes during the year	
Recognised in the income statement	35,404
Other changes	(13,077)
End of year	**22,327**

	Due within 12 months 2019/20 DKK'000	Due after more than 12 months 2019/20 DKK'000	Outstanding after 5 years DKK'000
9. Liabilities other than provisions			
Mortgage debt	34,901	1,122,789	1,033,392
Deposits	0	1,644	0
Other payables	1,639	18,281	11,723
	36,540	**1,142,714**	**1,045,115**

Notes to consolidated financial statements

	2019/20 DKK'000
10. Change in working capital	
Increase/decrease in inventories	(22,996)
Increase/decrease in receivables	1,931
Increase/decrease in trade payables etc	10,726
	(10,339)

	2019/20 DKK'000
11. Unrecognised rental and lease commitments	
Liabilities under rental or lease agreements until maturity in total	**162**

12. Contingent liabilities

The Group has as security for mortgage debt and bank debt provided a guarantee of payment to lenders.

The Group has entered into an agreement regarding property management. The liability until maturity amounts to 2.7 million.

13. Assets charged and collateral

Mortgage and bank debt is secured by mortgages in properties amounting to 1,255 million. The carrying amount of mortgaged properties is 1,751 million.

14. Transactions with related parties

The annual report only discloses transactions with related parties that have not been carried out on market terms. No such transactions were reviewed during the financial year.

15. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group: CL Denmark ApS, CVR-nr. 38330780, København

Notes to consolidated financial statements

16. Subsidiaries	Registered in	Corporate form	Equity interest %
BoStad A/S	København	A/S	100.0
Bostad Holding ApS	København	ApS	100.0
BoStad DS 1 ApS	Aarhus	ApS	100.0
Beringshave ApS	Aarhus	ApS	100.0
BoStad DS 2 ApS	Aarhus	ApS	100.0
BoStad DS 4 ApS	Aarhus	ApS	100.0
BoStad DS 7 ApS	Aarhus	ApS	100.0
Bostad DS 8 ApS	Aarhus	ApS	100.0
Hovedvejen 9, 2600 Glostrup ApS	Aarhus	ApS	100.0

Parent income statement for 2019/20

	Notes	2019/20 DKK'000	2018 DKK'000
Gross loss		**(933)**	**(18)**
Other financial income from group enterprises		1,038	0
Other financial expenses	1	(36)	0
Profit/loss before tax		**69**	**(18)**
Tax on profit/loss for the year	2	(15)	0
Profit/loss for the year	3	**54**	**(18)**

Parent balance sheet at 30.06.2020

	Notes	2019/20 DKK'000	2018 DKK'000
Investments in group enterprises		372,945	0
Fixed asset investments	4	**372,945**	**0**
Fixed assets		**372,945**	**0**
Other receivables		0	50
Prepayments	5	35	0
Receivables		**35**	**50**
Cash		**723**	**0**
Current assets		**758**	**50**
Assets		**373,703**	**50**

Parent balance sheet at 30.06.2020

	Notes	2019/20 DKK'000	2018 DKK'000
Contributed capital		50	50
Retained earnings		373,418	(18)
Equity		**373,468**	**32**
Trade payables		220	18
Income tax payable		15	0
Current liabilities other than provisions		**235**	**18**
Liabilities other than provisions		**235**	**18**
Equity and liabilities		**373,703**	**50**
Related parties with controlling interest	6		
Transactions with related parties	7		

Parent statement of changes in equity for 2019/20

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50	(18)	32
Increase of capital	0	119,931	119,931
Group contributions etc	0	253,451	253,451
Profit/loss for the year	0	54	54
Equity end of year	**50**	**373,418**	**373,468**

Notes to parent financial statements

	2019/20 DKK'000	2018 DKK'000
1. Other financial expenses		
Other interest expenses	36	0
	36	**0**

	2019/20 DKK'000	2018 DKK'000
2. Tax on profit/loss for the year		
Current tax	15	0
	15	**0**

	2019/20 DKK'000	2018 DKK'000
3. Proposed distribution of profit/loss		
Retained earnings	54	(18)
	54	**(18)**

	Invest-ments in group enterprises DKK'000
4. Fixed asset investments	
Additions	372,945
Cost end of year	**372,945**
Carrying amount end of year	**372,945**

A specification of investments in subsidiaries is evident from the notes to the consolidated financial statements.

5. Prepayments

Prepayments recognized under assets comprise expenses incurred relating to the following year.

6. Related parties with controlling interest

The company's Executive Board have subscription right and thus have a controlling influence on CL Denmark ApS.

CL V Ventures Offshore LLC is ultimate parant and thus has a controlling influence on CL Denmark ApS.

7. Transactions with related parties

The annual report only discloses transactions with related parties that have not been carried out on market terms. No such transactions were reviewed during the financial year.

Accounting policies

Reporting class
This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these consolidated financial statements and parent financial statements are described below.

Non-comparability
Due to the acquisition of BoStad A/S in March 2019 CL Denmark ApS is obliged to present a consolidated financial statements and the parent financial statements of CL Denmark ApS. Ahead of the acquisition CL Denmark ApS has not owned subsidiary companies and previous presented a consolidated finansial statements.

As an result hereof there is no comparative figures in the consolidated income statement for 2019/20.

As part of the acquisition, CL Denmark ApS has changed their financial year, from 01.01 - 31.12 to 01.07 – 30.06. Therefore, this financial year covers 18 months, 01.01.2019 to 30.06.2020.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Consolidated financial statements
The consolidated financial statements comprise the Parent and the group enterprises (subsidiaries) that are controlled by the Parent. Control is achieved by the Parent, either directly or indirectly, holding more than 50% of the voting rights or in any other way possibly or actually exercising controlling influence.

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts

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for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. More specifically, consideration is given to the extent to which significant processes are acquired and, in particular, the extent of services provided by the subsidiary.

When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

Basis of consolidation
The consolidated financial statements are prepared on the basis of the financial statements of the Parent and its subsidiaries. The consolidated financial statements are prepared by combining uniform items. On consolidation, intra-group income and expenses, intra-group accounts and dividends as well as profits and losses on transactions between the consolidated enterprises are eliminated. The financial statements used for consolidation have been prepared applying the Group's accounting policies.

Subsidiaries' financial statement items are recognised in full in the consolidated financial statements.

Income statement
Gross profit or loss
Gross profit or loss comprises revenue, other operating income, and external expenses.

Revenue
Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

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

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

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.

Staff costs
Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Accounting policies

Depreciation, amortisation and impairment losses
Depreciation and amortisation relating to equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, as well as gains and losses from the sale of equipment.

Other financial income
Other financial income comprises income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, as well as tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet
Property, plant and equipment
Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of equipment are written down to the lower of recoverable amount and carrying amount.

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.

Fair value is determined by using the DCF model as the calculated value in use of expected cash flows from

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each property. To determine expected cash flows, the budgeted cash flows for each property for the next years 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. No valuation reports were obtained in the financial year 2019/20.

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

Investments in group enterprises
Investments in group enterprises are measured at cost. Investments are written down to the lower of recoverable amount and carrying amount.

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

Inventories
Inventories include acquired properties intended for resale. Inventories are measured at cost, or net realizable value, if this is lower. Net realizable value for inventories is calculated as expected sales price less completion costs and costs to be incurred to effect sales.

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

Cash
Cash comprises cash in hand and bank deposits.

Deferred tax
Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset or the planned settlement of each liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

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

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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.

Operating leases
Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

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

Income tax receivable or payable
Current tax receivable or payable is recognised in the balance sheet, stated as tax calculated on this year's taxable income, adjusted for prepaid tax.

Deferred income
Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.

Cash flow statement
The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc of equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, inception of finance leases, instalments on interest-bearing debt, purchase of treasury shares and payment of dividend.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk less short-term bank loans.