CL Denmark ApS

Bryghuspladsen 8, 3.
1473 Copenhagen
CVR No. 38330780

Annual report 01.07.2020 - 30.06.2021

The Annual General Meeting adopted the annual report on 30.11.2021

Michael Brichmann
Chairman of the General Meeting

Contents

Entity details

Entity
CL Denmark ApS

Bryghuspladsen 8, 3.

1473 Copenhagen

Business Registration No.: 38330780

Registered office: Copenhagen

Financial year: 01.07.2020 - 30.06.2021

Executive Board
William Kanta, executive director

Elizabeth Margaret Mary Turner, executive director

Christoph Friedrich, executive director

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management on the annual report

The Executive Board has today considered and approved the annual report of CL Denmark ApS for the financial year 01.07.2020 - 30.06.2021.

The annual report is presented 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 Group's and the Parent's financial position at 30.06.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2020 - 30.06.2021.

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, 18.11.2021

Executive Board

William Kanta
executive director

Elizabeth Margaret Mary Turner
executive director

Christoph Friedrich
executive director

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 01.07.2020 - 30.06.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent, 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 Group's and the Parent's financial position at 30.06.2021 and of the results of their operations and the consolidated cash flows for the financial year 01.07.2020 - 30.06.2021 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" section of this auditor’s report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and 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 consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 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 consolidated financial statements and parent 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 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 consolidated financial statements and the parent 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 Entity to cease to continue as a going concern.

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

- Obtain sufficient and 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.

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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent 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, 18.11.2021

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Tim Kjær-Hansen
State Authorised Public Accountant
Identification No (MNE) mne23295

Chris Middelhede
State Authorised Public Accountant
Identification No (MNE) mne45823

Management commentary

Financial highlights

	2020/21 DKK'000	2019/20 DKK'000
Key figures		
Gross profit/loss	65,516	54,638
Operating profit/loss	281,392	178,814
Net financials	(31,803)	(36,945)
Profit/loss for the year	191,483	106,465
Balance sheet total	2,709,324	1,825,731
Equity	847,939	474,456
Ratios		
Equity ratio (%)	31.30	25.99

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

Equity ratio (%):
Equity * 100
Balance sheet total

Primary activities

Main activity

The Group's main activity is letting of residential real estate in the affordability segment. As at the balance sheet date, the Group owns approx. 1,565 leases (excluding parking). Approx. 86% of the rental income in 2020/21 came from residential leases and approx. 14% came from commercial leases (including parking). The total book value of the properties as per 30 June 2021 is DKK 2.63 billion and the equity as per 30 June 2021 is 848 million.

After the balance sheet date, the Group has divested a 24,168 m2 logistics property and entered into and closed an agreement concerning acquisition of an 8,470 m2 residential property with 84 newly built residential units. Consequently, the Group now owns a total of 1,641 leases (excluding parking). Approx. 95% of the rental income in 2021/22 is expected to come from residential leases and approx. 5% from commercial leases (including parking).

Strategy

The Group's strategy and objectives for the coming years focus on continuing to increase the Group's investments in residential rental properties in Danish, regional growth cities. The Group's mission is to create good frameworks for life with respect of people's quality of life, culture and sustainability. Please also refer to the Group's website at https://www.bostad.dk/ and the Group's ESG report "BoStad in Denmark".

Development in activities and finances

The annual report for CL Denmark ApS for the period 1 July 2020 to 30 June 2021 includes the result of the Group's activities.

The financial year 2020/21 is characterized by (i) the Group's continued focus on streamlining the portfolio around quality residential properties in strong Danish growth cities outside Copenhagen and Aarhus, (ii) divestment of commercial properties and smaller residential properties in line with the Group's strategy, (iii) significant extraordinary investments in the Group's properties to ensure a high maintenance standard throughout the portfolio, (iv) investments in insourcing of the Group's facility management and letting setup, and (v) work on securing and preparing the Group for a continued growth journey in the coming years.

In summary, the events and transactions which have occurred during the financial year 2020/21 are described below and in the section on the Group's financial development:

- The Group have **taken delivery of 469 newly built residential units located in Silkeborg, Vejle and Kolding.**

- In accordance with the strategy to create a good framework for life and maintain a portfolio of quality properties, the Group has **invested significantly in the maintenance and development of the Group's properties** to ensure a high maintenance standard throughout the portfolio.

- BoStad has **published the ESG principles for 2021-2024 in a report called "BoStad in Denmark"**. BoStad wants to take its work with ESG to the next level. Over the coming years, BoStad will continuously strengthen the Group's efforts in certain areas where BoStad really can make a difference and continue work to promote social responsibility, a healthier climate and environment, stronger local communities, and good corporate governance. "BoStad in Denmark" sets out specific benchmarks for how BoStad will strengthen the Group's efforts within these four areas in the future.

- The Group has invested in **insourcing the facility management and letting setup** (except for snow removal, staircase cleaning and gardening on certain properties) to be closer to the Group's customers and to deliver a more effective and hands on asset management. This has resulted in an increase of headcount.

- As part of the strategy to focus on residential properties in Danish, regional growth cities, the Group has **sold 26 smaller residential properties and 3 larger commercial properties** during the financial year.

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

Profit/loss for the year in relation to expected developments

Group

Operating profit for the year was DKK 281 million (2019/20: DKK 179 million) and profit for the year before fair value adjustments of investment properties and tax was DKK 22 million (2019/20: DKK 6 million).

Profit for the year before fair value adjustments of investment properties are negatively affected by more than DKK 13 million in non-recurring costs primarily related to eliminating the maintenance backlog in the Group's legacy portfolio.

Financial items for the year were DKK 31.8 million (2019/20: DKK 36.9 million).

Fair value adjustments of investment properties for the year were DKK 228 million (2019/20: DKK 136 million) primarily due to a positive market development, delivery and stabilisation of the 46,000 m2 of forward purchased newly built residential units and significant positive value adjustments from divestments.

Tax on profit for the year was DKK 58 million (2019/20: DKK 35 million).

Parent

The profit for the year before tax was TDKK -330.

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 2.63 billion. The fair value is calculated for the individual properties on the basis of several 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 202 million, refer to the discussion included in note 1 to the accounts.

Outlook

The outlook and the profit expectations for the future are based on a basically unchanged property portfolio with the addition of 84 newly built residential units, which were delivered in August 2021 and the divestment of the logistics property located on Østhavnsvej in August 2021. Please refer to the section above regarding events after the balance sheet date.

CL Denmark ApS expects a profit before financial items of approx. DKK 90 million and a profit before tax and value adjustments in the range of DKK 65 to 70 million for the financial year 2021/22.

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 basis of reporting from, among others, the Group's employees and 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, partly by entering into agreements on disposition of free cash flow with certain sources of financing.

Events after the balance sheet date

• In July 2021, the Group entered into an agreement concerning **acquisition of 84 newly built residential leases and 126 parking spaces.** The new leases are located in Holbæk and were delivered to BoStad on 17 August 2021. The project is expected to **increase the Group's revenue by approx. DKK 13 million per year.**

• As part of the strategy to focus the Group's properties on residential properties in larger, regional cities in Denmark, the Group has **sold 7 smaller residential properties after the balance sheet date.**

• Further, the Group has **divested its 24,168 m2 logistics property** located on Aarhus Habour in August 2021. The divestment, which was carried out by way of a sale of shares in the subsidiary Østhavnsvej 37 ApS, was completed on 13 August 2021.

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 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK'000
Gross profit/loss		**65,516**	**54,638**
Fair value adjustments of investment property		227,730	135,655
Staff costs	2	(11,512)	(11,016)
Depreciation, amortisation and impairment losses		(342)	(463)
Operating profit/loss		**281,392**	**178,814**
Other financial income		1,213	125
Other financial expenses	3	(33,016)	(37,070)
Profit/loss before tax		**249,589**	**141,869**
Tax on profit/loss for the year	4	(58,106)	(35,404)
Profit/loss for the year	5	**191,483**	**106,465**

Consolidated balance sheet at 30.06.2021

Assets

	Notes	2020/21 DKK'000	2019/20 DKK'000
Investment property		2,634,214	1,717,243
Other fixtures and fittings, tools and equipment		1,247	509
Property, plant and equipment	6	**2,635,461**	**1,717,752**
Deposits		146	132
Other receivables		0	6,533
Financial assets	7	**146**	**6,665**
Fixed assets		**2,635,607**	**1,724,417**
Manufactured goods and goods for resale		0	33,453
Inventories		**0**	**33,453**
Trade receivables		342	248
Other receivables		12,824	20,696
Tax receivable		0	112
Joint taxation contribution receivable		7,832	0
Prepayments	8	835	1,772
Receivables		**21,833**	**22,828**
Cash	9	**51,884**	**45,033**
Current assets		**73,717**	**101,314**
Assets		**2,709,324**	**1,825,731**

Equity and liabilities

	Notes	2020/21 DKK'000	2019/20 DKK'000
Contributed capital		50	50
Retained earnings		847,889	474,406
Equity		**847,939**	**474,456**
Deferred tax	10	74,438	22,327
Provisions		**74,438**	**22,327**
Mortgage debt		1,670,663	1,122,789
Deposits		2,363	1,644
Tax payable		2,328	0
Joint taxation contribution payable		820	0
Other payables		16,213	18,281
Non-current liabilities other than provisions	11	**1,692,387**	**1,142,714**
Current portion of non-current liabilities other than provisions	11	26,107	36,540
Bank loans		0	96,960
Deposits		42,632	32,775
Trade payables		12,546	4,539
Payables to group enterprises		18	0
Tax payable		608	890
Other payables		12,587	14,369
Deferred income	12	62	161
Current liabilities other than provisions		**94,560**	**186,234**
Liabilities other than provisions		**1,786,947**	**1,328,948**
Equity and liabilities		**2,709,324**	**1,825,731**
Uncertainty relating to recognition and measurement	1		
Unrecognised rental and lease commitments	14		
Contingent liabilities	15		
Assets charged and collateral	16		
Transactions with related parties	17		
Subsidiaries	18		

Consolidated statement of changes in equity for 2020/21

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50	474,406	474,456
Group contributions etc.	0	182,000	182,000
Profit/loss for the year	0	191,483	191,483
Equity end of year	**50**	**847,889**	**847,939**

Consolidated cash flow statement for 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK'000
Operating profit/loss		281,392	178,814
Amortisation, depreciation and impairment losses		341	463
Working capital changes	13	19,126	(10,339)
Adjustment of investment property		(227,730)	(135,655)
Cash flow from ordinary operating activities		**73,129**	**33,283**
Financial income received		1,213	121
Financial expenses paid		(33,015)	(37,070)
Taxes refunded/(paid)		(969)	(21,129)
Cash flows from operating activities		**40,358**	**(24,795)**
Acquisition etc. of property, plant and equipment		(19,143)	(19,317)
Sale of property, plant and equipment		213,321	101,254
Deposited		(13)	(3,522)
Acquisition of properties, net of debt		(86,368)	0
Acquisition of BoStad A/S		0	(317,622)
Cash flows from investing activities		**107,797**	**(239,207)**
Free cash flows generated from operations and investments before financing		**148,155**	**(264,002)**
Cash capital increase		182,000	373,382
Net raised/repayments of loans ect		(323,304)	(64,347)
Cash flows from financing activities		**(141,304)**	**309,035**
Increase/decrease in cash and cash equivalents		**6,851**	**45,033**
Cash and cash equivalents beginning of year		45,033	0
Cash and cash equivalents end of year		**51,884**	**45,033**
Cash and cash equivalents at year-end are composed of:			
Cash		51,884	45,033
Cash and cash equivalents end of year		**51,884**	**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 5.93 % 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 %.

Sensitivity analysis

Fair value of investment properties amounts to 2,634 million as of 30 June 2021. 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	2,873	+239
Decrease in yield	-0.25	2,749	+114
Average	5.93	2,634	-
Increase in yield	0.25	2,529	-105
Increase in yield	0.50	2,432	-202

2 Staff costs

	2020/21 DKK'000	2019/20 DKK'000
Wages and salaries	9,153	9,247
Pension costs	1,727	1,267
Other social security costs	96	70
Other staff costs	536	432
	11,512	**11,016**

Average number of full-time employees	**13**	**9**

	Remuneration of manage-ment 2020/21 DKK'000	Remuneration of manage-ment 2019/20 DKK'000
Total amount for management categories	3,450	2,443
	3,450	**2,443**

3 Other financial expenses

	2020/21 DKK'000	2019/20 DKK'000
Other interest expenses	33,016	31,739
Other financial expenses	0	5,331
	33,016	**37,070**

4 Tax on profit/loss for the year

	2020/21 DKK'000	2019/20 DKK'000
Current tax	2,013	0
Change in deferred tax	56,031	35,404
Adjustment concerning previous years	123	0
Refund in joint taxation arrangement	(61)	0
	58,106	**35,404**

5 Proposed distribution of profit/loss

	2020/21 DKK'000	2019/20 DKK'000
Retained earnings	191,483	101,042
Minority interests' share of profit/loss	0	5,423
	191,483	**106,465**

6 Property, plant and equipment

	Investment property DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	1,596,475	568
Transfers	33,453	0
Additions	863,574	1,111
Disposals	(219,851)	(164)
Cost end of year	**2,273,651**	**1,515**
Depreciation and impairment losses beginning of year	0	(59)
Depreciation for the year	0	(341)
Reversal regarding disposals	0	132
Depreciation and impairment losses end of year	**0**	**(268)**
Fair value adjustments beginning of year	120,768	0
Fair value adjustments for the year	238,738	0
Reversal regarding disposals	1,057	0
Fair value adjustments end of year	**360,563**	**0**
Carrying amount end of year	**2,634,214**	**1,247**

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

Financing costs have been capitalized as a part of the cost of the investment property. As of 30.06.2021 TDKK 45,443 have been capitalized.

7 Financial assets

	Deposits DKK'000
Cost beginning of year	132
Additions	14
Cost end of year	**146**
Carrying amount end of year	**146**

8 Prepayments

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

9 Cash

As a part of the total booked cash, TDKK 13,908 is on an escrow account.

10 Deferred tax

	2020/21 DKK'000	2019/20 DKK'000
Property, plant and equipment	81,441	22,327
Liabilities other than provisions	(21)	0
Tax losses carried forward	(6,982)	0
Deferred tax	**74,438**	**22,327**

Changes during the year	2020/21 DKK'000
Beginning of year	22,327
Recognised in the income statement	56,031
Other changes	(3,920)
End of year	**74,438**

According to the Danish Financial Statements Act management has to assess if acquired entities are to be considered as a business or group of single assets. Management has assessed that acquired properties is to be considered as a group of single assets.

Because the transaction is not a business combination it is required that the acquiring entity, in the consolidated financial statements does not recognise a deferred tax liability for taxable temporary differences that arise from the initial recognition.

The consequence is that the deferred tax liability as of 30.06.2021 is understated with DKK 44.4 million.

11 Non-current liabilities other than provisions

	Due within 12 months 2020/21 DKK'000	Due within 12 months 2019/20 DKK'000	Due after more than 12 months 2020/21 DKK'000	Outstanding after 5 years 2020/21 DKK'000
Mortgage debt	26,107	34,901	1,670,663	1,588,477
Deposits	0	0	2,363	0
Tax payable	0	0	2,328	0
Joint taxation contribution payable	0	0	820	0
Other payables	0	1,639	16,213	0
	26,107	**36,540**	**1,692,387**	**1,588,477**

12 Deferred income

Deferred income comprise revenue incurred relating to the following year.

13 Changes in working capital

	2020/21 DKK'000	2019/20 DKK'000
Increase/decrease in inventories	0	(22,996)
Increase/decrease in receivables	16,529	1,931
Increase/decrease in trade payables etc.	2,597	10,726
	19,126	**(10,339)**

14 Unrecognised rental and lease commitments

	2020/21 DKK'000	2019/20 DKK'000
Total liabilities under rental or lease agreements until maturity	**208**	**116**

15 Contingent liabilities

The Group has entered into an agreement regarding property management. The liability until maturity amounts to 3.1 million.

16 Assets charged and collateral

Mortgage debt is secured by deposited mortgage deeds on the investment property with a book value of TDKK 2,634,214.

17 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

18 Subsidiaries

	Registered in	Corporate form	Ownership %
BoStad A/S	Copenhagen	A/S	100
BoStad Commercial I ApS	Aarhus	ApS	100
BoStad I ApS	Aarhus	ApS	100
BoStad II ApS	Aarhus	ApS	100
BoStad DS 4 ApS	Aarhus	ApS	100
BoStad DS 7 ApS	Aarhus	ApS	100
BoStad DS 8 ApS	Aarhus	ApS	100
Østhavnsvej 37 ApS	Aarhus	ApS	100
BoStad Hviidsminde Holding ApS	Copenhagen	ApS	100
BoStad Hviidsminde A/S	Aarhus	A/S	100
BoStad Vimmerbyvej 1 Holding ApS	Copenhagen	ApS	100
BoStad Vimmerbyvej 1 ApS	Aarhus	ApS	100
BoStad Vimmerbyvej 2 Holding ApS	Copenhagen	ApS	100
BoStad Vimmerbyvej 2 ApS	Aarhus	ApS	100
BoStad Vimmerbyvej 3 Holding ApS	Copenhagen	ApS	100
BoStad Vimmerbyvej 3 ApS	Aarhus	ApS	100
BoStad Lysbrolysningen Holding ApS	Copenhagen	ApS	100
BoStad Lysbrolysningen ApS	Aarhus	ApS	100
BoStad Kobbelvænget 1 Holding ApS	Copenhagen	ApS	100
BoStad Kobbelvænget 1 ApS	Aarhus	ApS	100
BoStad Kobbelvænget 2 holding ApS	Copenhagen	ApS	100
BoStad Kobbelvænget 2 ApS	Aarhus	ApS	100
Hovedvejen 9, 2600 Glostrup ApS	Aarhus	ApS	100

Parent income statement for 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK'000
Gross profit/loss		**(304)**	**(933)**
Other financial income	1	0	1,038
Other financial expenses		(26)	(36)
Profit/loss before tax		**(330)**	**69**
Tax on profit/loss for the year	2	70	(15)
Profit/loss for the year	3	**(260)**	**54**

Parent balance sheet at 30.06.2021

Assets

	Notes	2020/21 DKK'000	2019/20 DKK'000
Investments in group enterprises		552,945	372,945
Deferred tax	5	12	0
Financial assets	4	**552,957**	**372,945**
Fixed assets		**552,957**	**372,945**
Joint taxation contribution receivable		2,979	0
Prepayments	6	197	35
Receivables		**3,176**	**35**
Cash		**2,218**	**723**
Current assets		**5,394**	**758**
Assets		**558,351**	**373,703**

Equity and liabilities

	Notes	2020/21 DKK'000	2019/20 DKK'000
Contributed capital		50	50
Retained earnings		555,158	373,418
Equity		**555,208**	**373,468**
Tax payable		2,328	0
Non-current liabilities other than provisions		**2,328**	**0**
Trade payables		81	220
Payables to group enterprises		126	0
Tax payable		608	15
Current liabilities other than provisions		**815**	**235**
Liabilities other than provisions		**3,143**	**235**
Equity and liabilities		**558,351**	**373,703**
Contingent liabilities	7		
Related parties with controlling interest	8		
Transactions with related parties	9		

Parent statement of changes in equity for 2020/21

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	50	373,418	373,468
Increase of capital	0	182,000	182,000
Profit/loss for the year	0	(260)	(260)
Equity end of year	**50**	**555,158**	**555,208**

Notes to parent financial statements

1 Other financial income

	2020/21 DKK'000	2019/20 DKK'000
Financial income from group enterprises	0	1,038
	0	**1,038**

2 Tax on profit/loss for the year

	2020/21 DKK'000	2019/20 DKK'000
Current tax	0	15
Change in deferred tax	(12)	0
Adjustment concerning previous years	3	0
Refund in joint taxation arrangement	(61)	0
	(70)	**15**

3 Proposed distribution of profit and loss

	2020/21 DKK'000	2019/20 DKK'000
Retained earnings	(260)	54
	(260)	**54**

4 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	372,945
Additions	180,000
Cost end of year	**552,945**
Carrying amount end of year	**552,945**

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

5 Deferred tax

	2020/21 DKK'000
Tax losses carried forward	12
Deferred tax	**12**

Changes during the year	2020/21 DKK'000
Recognised in the income statement	12
End of year	**12**

6 Prepayments

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

7 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. 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 also for obligations, if any, relating to the withholding of tax on interest, royalties and dividends for these entities.

The companies are included in a joint registration regarding VAT, and the group is liable unlimitedly and jointly and severally for VAT with the other companies included in the joint registration.

8 Related parties with controlling interest

CL V Lux S.à.r.l. owns all shares in the company and this has a controlling influence on CL Denmark ApS.

9 Non-arm's length related party transactions

Only non-arm's length related party transactions are disclosed in the annual report. No such transactions were conducted during the financial year.

Accounting policies

Reporting class
This annual report has been prepared 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 consistent with those applied last year.

Non-comparability
There is non-comparability between this year's figures and the comparative figures, as figures from last year are based on a period of 18 months.

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.

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 adjustments of investment property comprise adjustments 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.

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.

Staff costs

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

Depreciation, amortisation and impairment losses

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

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises ect.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, amortisation of financial liabilities 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.

The Parent is jointly taxed with all of its Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

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 each property. To determine expected cash flows, the budgeted cash flows for each property for the next 11 years is used, including increases in price and rent levels, and 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.

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.

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.

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.

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

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

Joint taxation contributions payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

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

Cash
Cash comprises bank deposits.

Minority interests
On initial recognition, minority interests are measured at the minority interests' share of the acquiree's net assets measured at fair value. No goodwill related to the minority interests' equity interests in the acquiree is recognised.

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.

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.

Joint taxation contributions payable or receivable
Current joint taxation contributions payable or receivable are recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

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, and 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 financial income, financial expenses and income tax paid.

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

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs, and the raising of loans, repayments of interest-bearing debt, including lease liabilities, 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.