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# ***Ørestad Ejendomme II A/S***

c/o Brickshare A/S, Vesterbrogade 149, 1. b9., DK-1620 København V

## **Annual Report for 1 January - 31 December 2019**

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CVR No 39 55 52 98

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
24/4 2020

Eric Korre Horten  
Chairman of the General  
Meeting



**pwc**

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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Ørestad Ejendomme II A/S for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, 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.

Copenhagen, 24 April 2020

## Executive Board

Jens Christian Berner  
CEO

## Board of Directors

Thomas Midtgaard  
Chairman

Jens Christian Berner

David Svante Hansen

# Independent Auditor's Report

To the Shareholders of Ørestad Ejendomme II A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Ørestad Ejendomme II A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these 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 Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

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

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

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

## Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstate-

# Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

# Independent Auditor's Report

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 24 April 2020

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Kaare von Cappeln  
state authorised public accountant  
mne11629

Jakob Thisted Binder  
state authorised public accountant  
mne42816

## Company Information

### **The Company**

Ørestad Ejendomme II A/S  
c/o Brickshare A/S  
Vesterbrogade 149, 1. b9.  
DK-1620 København V

CVR No: 39 55 52 98

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

### **Board of Directors**

Thomas Midtgaard, Chairman  
Jens Christian Berner  
David Svante Hansen

### **Executive Board**

Jens Christian Berner

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Management's Review

## Key activities

The Company's main activity is investment and rental of residential properties.

## Development in the year

The income statement of the Company for 2019 shows a profit of DKK 281,688, of which value adjustments amount to DKK 124,626, and at 31 December 2019 the balance sheet of the Company shows equity of DKK 5,601,171.

## Uncertainty relating to recognition and measurement

Investment properties is recognized at DKK 16,320,327. The valuation of investment properties are based on 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.

The deferred tax asset is recognized at a value of DKK 105,315, based on an overall assessment and management expectations for the future.

## Subsequent events

Reference to note no. 1 regarding subsequent events relating to Covid-19 and management's assessment hereof.



## Income Statement 1 January - 31 December

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
<b>Gross profit/loss before value adjustments</b>		<b>386.574</b>	<b>-676.027</b>
Value adjustments of assets held for investment		124.626	-100.549
<b>Gross profit/loss after value adjustments</b>		<b>511.200</b>	<b>-776.576</b>
Financial expenses		-149.937	-63.831
<b>Profit/loss before tax</b>		<b>361.263</b>	<b>-840.407</b>
Tax on profit/loss for the year	2	-79.575	184.890
<b>Net profit/loss for the year</b>		<b>281.688</b>	<b>-655.517</b>

## Distribution of profit

### Proposed distribution of profit

Extraordinary dividend paid	180.000	0
Retained earnings	101.688	-655.517
	<b>281.688</b>	<b>-655.517</b>

# Balance Sheet 31 December

## Assets

	Note	2019 DKK	2018 DKK
Investment properties		16.320.327	16.195.701
<b>Property, plant and equipment</b>	3	<b>16.320.327</b>	<b>16.195.701</b>
<b>Fixed assets</b>		<b>16.320.327</b>	<b>16.195.701</b>
Other receivables		64.649	86.573
Deferred tax asset		105.315	184.890
<b>Receivables</b>		<b>169.964</b>	<b>271.463</b>
<b>Cash at bank and in hand</b>		<b>223.580</b>	<b>257.728</b>
<b>Currents assets</b>		<b>393.544</b>	<b>529.191</b>
<b>Assets</b>		<b>16.713.871</b>	<b>16.724.892</b>

# Balance Sheet 31 December

## Liabilities and equity

	<u>Note</u>	<u>2019</u> DKK	<u>2018</u> DKK
Share capital		400.000	6.155.000
Retained earnings		5.201.171	-655.517
<b>Equity</b>		<b><u>5.601.171</u></b>	<b><u>5.499.483</u></b>
Mortgage loans		10.664.508	10.841.000
<b>Long-term debt</b>	<b>4</b>	<b><u>10.664.508</u></b>	<b><u>10.841.000</u></b>
Mortgage loans	4	176.493	176.113
Prepayments received from tenants		0	15.450
Trade payables		35.000	35.000
Deposits		202.187	99.150
Other payables		34.512	58.696
<b>Short-term debt</b>		<b><u>448.192</u></b>	<b><u>384.409</u></b>
<b>Debt</b>		<b><u>11.112.700</u></b>	<b><u>11.225.409</u></b>
<b>Liabilities and equity</b>		<b><u>16.713.871</u></b>	<b><u>16.724.892</u></b>
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## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	6.155.000	-655.517	5.499.483
Cash capital reduction	-5.755.000	5.755.000	0
Extraordinary dividend paid	0	-180.000	-180.000
Net profit/loss for the year	0	281.688	281.688
<b>Equity at 31 December</b>	<b>400.000</b>	<b>5.201.171</b>	<b>5.601.171</b>

# Notes to the Financial Statements

## 1 Subsequent events

The implications of Covid-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of Covid-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

Management assess that Covid-19 will not impact the Company's revenue and net profit for 2020.

	<u>2019</u> DKK	<u>2018</u> DKK
<b>2 Tax on profit/loss for the year</b>		
Current tax for the year	0	0
Deferred tax for the year	<u>79.575</u>	<u>-184.890</u>
	<b><u>79.575</u></b>	<b><u>-184.890</u></b>

## 3 Assets measured at fair value

	<u>Investment pro- perties</u> DKK
Cost at 1 January	<u>16.296.250</u>
Cost at 31 December	<u>16.296.250</u>
Value adjustments at 1 January	-100.549
Revaluations for the year	<u>124.626</u>
Value adjustments at 31 December	<u>24.077</u>
<b>Carrying amount at 31 December</b>	<b><u>16.320.327</u></b>

# Notes to the Financial Statements

## 3 Assets measured at fair value (continued)

### Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods (Return-based model) based on Management's expectations for future cash flows, return requirements etc.

The fair value of investment properties has been calculated based on the following assumptions:

	<u>2019</u> DKK	<u>2018</u> DKK
Budget period	1 year	1 year
Discount rate	3,95%	4%

The estimates applied are based on 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.

## 4 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2019</u> DKK	<u>2018</u> DKK
<b>Mortgage loans</b>		
After 5 years	9.941.484	10.133.350
Between 1 and 5 years	723.024	707.650
Long-term part	<u>10.664.508</u>	<u>10.841.000</u>
Within 1 year	176.493	176.113
	<u><b>10.841.001</b></u>	<u><b>11.017.113</b></u>

## Notes to the Financial Statements

	2019	2018
	DKK	DKK
<b>5 Contingent assets, liabilities and other financial obligations</b>		
<b>Charges and security</b>		
The following assets have been placed as security with mortgage credit institutes:		
Mortgage deeds registered to the mortgagor totalling DKK 10,841,001		
providing security on land and buildings with a carrying amount of	16.320.327	16.195.701

# Notes to the Financial Statements

## 6 Accounting Policies

The Annual Report of Ørestad Ejendomme II A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.



# Notes to the Financial Statements

## 6 Accounting Policies (continued)

### Income Statement

#### Revenue

Rental income is recognised on a straight line-basis over the term of the lease.

#### Other external expenses

Other external expenses comprise expenses for premises, sales and distribution as well as office expenses of investment properties.

#### Gross profit/loss after value adjustments

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

#### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

# Notes to the Financial Statements

## 6 Accounting Policies (continued)

### Balance Sheet

#### Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

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.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition.

#### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

#### Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

#### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

# Notes to the Financial Statements

## 6 Accounting Policies (continued)

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.