
Ørestad Ejendomme II A/S

Dirch Passers Allé 76, DK-2000 Frederiksberg

Annual Report for 1 January - 31 December 2020

CVR No 39 55 52 98

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
28/4 2021

Eric Korre Horten
Chairman of the General
Meeting



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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 2020.

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 2020 of the Company and of the results of the Company operations for 2020.

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, 28 April 2021

Executive Board

Thomas Midtgaard
CEO

Board of Directors

David Svante Hansen
Chairman

Thomas Midtgaard

Jens Christian Berner

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

Independent Auditor's Report

Management's responsibilities for the Financial Statements

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

In preparing the Financial Statements, Management is responsible for assessing the 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.

Independent Auditor's Report

- 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.
- 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, 28 April 2021

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
Dirch Passers Allé 76
DK-2000 Frederiksberg

CVR No: 39 55 52 98
Financial period: 1 January - 31 December
Municipality of reg. office: Frederiksberg

Board of Directors

David Svante Hansen , Chairman
Thomas Midtgaard
Jens Christian Berner

Executive Board

Thomas Midtgaard

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 2020 shows a profit of DKK 498,400, of which value adjustments amount to DKK 579,673, and at 31 December 2020 the balance sheet of the Company shows equity of DKK 6,099,571.

The covid-19 pandemic did not have and is not expected to have significant influence on the Company's activities and the result hereof

Uncertainty relating to recognition and measurement

Investment properties is recognized at DKK 16,900.000. 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.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2020 DKK	2019 DKK
Gross profit/loss before value adjustments		206.113	386.574
Value adjustments of assets held for investment		579.673	124.626
Gross profit/loss after value adjustments		785.786	511.200
Financial income		391	0
Financial expenses		-147.202	-149.937
Profit/loss before tax		638.975	361.263
Tax on profit/loss for the year	1	-140.575	-79.575
Net profit/loss for the year		498.400	281.688

Distribution of profit

Proposed distribution of profit

Extraordinary dividend paid		0	180.000
Retained earnings		498.400	101.688
		498.400	281.688

Balance Sheet 31 December

Assets

	Note	2020 DKK	2019 DKK
Investment properties		16.900.000	16.320.327
Property, plant and equipment	2	16.900.000	16.320.327
Fixed assets		16.900.000	16.320.327
Trade receivables		28.024	0
Other receivables		37.949	64.649
Deferred tax asset		0	105.315
Receivables		65.973	169.964
Cash at bank and in hand		87.646	223.580
Currents assets		153.619	393.544
Assets		17.053.619	16.713.871

Balance Sheet 31 December

Liabilities and equity

	Note	2020 DKK	2019 DKK
Share capital		400.000	400.000
Retained earnings		5.699.571	5.201.171
Equity		6.099.571	5.601.171
Provision for deferred tax		35.260	0
Provisions		35.260	0
Mortgage loans		10.480.660	10.664.508
Long-term debt	3	10.480.660	10.664.508
Mortgage loans	3	183.871	176.493
Trade payables		47.518	35.000
Payables to group enterprises		19.511	0
Deposits		124.500	202.187
Other payables		62.728	34.512
Short-term debt		438.128	448.192
Debt		10.918.788	11.112.700
Liabilities and equity		17.053.619	16.713.871
Contingent assets, liabilities and other financial obligations	4		
Accounting Policies	5		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	400.000	5.201.171	5.601.171
Net profit/loss for the year	0	498.400	498.400
Equity at 31 December	400.000	5.699.571	6.099.571

Notes to the Financial Statements

	2020 DKK	2019 DKK
1 Tax on profit/loss for the year		
Current tax for the year	0	0
Deferred tax for the year	140.575	79.575
	140.575	79.575

2 Assets measured at fair value

	Investment pro- perties DKK
Cost at 1 January	16.296.250
Cost at 31 December	16.296.250
Value adjustments at 1 January	24.077
Revaluations for the year	579.673
Value adjustments at 31 December	603.750
Carrying amount at 31 December	16.900.000

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 (DCF) based on management's expectations for future cash flows, return requirements etc.

The fair value adjustment for the year has been recognised in the Income Statement. The fair value of investment properties has been calculated based on the following assumptions:

	2020 DKK	2019 DKK
Budget period	10 years	1 year
Growth rate in terminal period	1%	N/A
Discount rate	3,6%	3,95%
Rent price pr/m2	1.598	N/A
Operating cost pr/m2	527	N/A

Notes to the Financial Statements

2 Assets measured at fair value (continued)

Assumptions applied in 2019 are based on a return-based model, however Management has decided to apply another income approach for 2020, hence the fair value is measured with the discounted cash flow projection (i.e. DCF). Thus the assumptions are not directly comparable.

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.

3 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>2020</u> DKK	<u>2019</u> DKK
Mortgage loans		
After 5 years	9.711.415	9.941.484
Between 1 and 5 years	769.245	723.024
Long-term part	<u>10.480.660</u>	<u>10.664.508</u>
Within 1 year	183.871	176.493
	<u>10.664.531</u>	<u>10.841.001</u>

Notes to the Financial Statements

	<u>2020</u>	<u>2019</u>
	DKK	DKK
4 Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with mortgage credit institutes:		
Mortgage deeds registered to the mortgagor totalling DKK 10,664,506		
providing security on land and buildings with a carrying amount of	16.900.000	16.320.327

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Brickshare Invest AIF-SIKAV, Fund Single Units CPH, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

5 Accounting Policies

The Annual Report of Ørestad Ejendomme II A/S for 2020 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 2020 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

5 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.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

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.

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

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

Notes to the Financial Statements

5 Accounting Policies (continued)

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.

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.

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.

Notes to the Financial Statements

5 Accounting Policies (continued)

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.