Brickshare AIFM A/S

Vesterbrogade 149, Copenhagen

CVR no. 39 32 82 32

Annual report for 2019

Adopted at the board meeting on 27 April 2020

Thomas Midtgaard
Chairman of the general meeting

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Company details

Company	Brickshare AIFM A/S Vesterbrogade 149 DK-1620 Copenhagen V	
	Central business register no.: FT no.:	39328232 23160
Reporting period	1 January 2019 - 31 December 2019	
Financial year	1 January - 31 December	
Board of directors	Troels Bülow-Olsen, chairman Nina Riisgaard Lauritsen Johan Lorenzen	
Management	Thomas Midtgaard, CEO	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup	
Financial Supervisory Authority	Finanstilsynet Århusgade 110 DK-2100 Copenhagen Ø	

Statement by Management on the annual report

The Board of Directors and Management have today discussed and approved the annual report of Brickshare AIFM A/S for the financial period 1 January 2019 - 31 December 2019.

The annual report is prepared in accordance with the Danish Alternative Investment Fund Managers Act, the Danish Financial Supervisory Authority's executive order on general rules on annual reports and audits of alternative investment funds and the Danish Financial Supervisory Authority's executive order on financial reports for credit institutions, investment companies, etc.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2019 and of the results of the Company's operations for the financial period 1 January 2019 - 31 December 2019.

In our opinion, Management's review includes a fair review of developments in the Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Company.

Management recommends that the annual report should be approved at the Board meeting.

Copenhagen, April 27 2020

Management

Thomas Midtgaard
CEO

Board of directors

Troels Bülow-Olsen Chairman	Nina Riisgaard Lauritsen	Johan Lorenzen

Independent Auditor's report

To the shareholders of Brickshare AIFM A/S

Opinion

We have audited the financial statements of Brickshare AIFM A/S for the financial period 1 January 2019 - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 31 December 2019 and of the results of the Company's operations for the financial period 1 January 2019 - 31 December 2019 in accordance with the Danish Alternative Investment Fund Managers Act, the Danish Financial Supervisory Authority's executive order on general rules on annual reports and audits of alternative investment funds and the Danish Financial Supervisory Authority's executive order on financial reports for credit institutions, investment companies, etc.

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.

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 Alternative Investment Fund Managers Act, the Danish Financial Supervisory Authority's executive order on general rules on annual reports and audits of alternative investment funds and the Danish Financial Supervisory Authority's executive order on financial reports for credit institutions and investment companies etc., 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.

Independent Auditor's report

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 judgment and maintain professional skepticism 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.

- 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.

Independent Auditor's report

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 Management's review

Management is responsible for Management's review. 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.

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 Alternative Investment Fund Managers Act, the Danish Financial Supervisory Authority's executive order on general rules on annual reports and audits of alternative investment funds and the Danish Financial Supervisory Authority's executive order on financial reports for credit institutions and investment companies etc.

Based on the work we have performed, we conclude that Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Alternative Investment Fund Managers Act, the Danish Financial Supervisory Authority's executive order on general rules on annual reports and audits of alternative investment funds and the Danish Financial Supervisory Authority's executive order on financial reports for credit institutions and investment companies etc. We did not identify any material misstatement in Management's review.

Copenhagen, 27 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

Financial highlights

The development of the Company may be described by means of the following financial highlights:

	2019 DKK ('000)	2018 DKK ('000)
Key figures		
Administration fee	5,034	0
Costs for employees and administration	-3,381	0
Profit/loss before financial income and expenses	1,654	-277
Profit/loss for the period	1,364	-216
Equity	2,448	1,084
Total assets	5,225	1,084
Financial ratios		
Solvency ratio	47%	100%
Return on equity before tax	71%	-26%
Return on equity after tax	56%	-20%
Average number of employees	5	0
Number of funds under management	1	0
Number of sub-funds under management	14	0
Assets under management	182,312	0

Management's review

Business activities

Brickshare AIFM A/S ("the Company") is an Alternative Investment Fund Manager ("AIFM") focusing on real estate investment strategies.

The Company provides a range of regulatory compliant services for Alternative Investment Funds ("AIF") in the areas of risk and portfolio management.

Business review

2019 marks the first year of operations since the Company obtained its license as AIFM and was appointed fund manager for Brickshare Invest AIF-SIKAV on 28 February 2019.

Revenue originates from management and placement fees from AIF, which for 2019 amounted to DKK 5,034k.

Staff expenses and administration for the period were 3,381k DKK off which DKK 1,664k is staff-related and DKK 1,717k regards other external expenses, which consists of fees for FSA, lawyers, auditors, license fee etc.

Net financial income was DKK 95k mainly attributed to interest on group receivables.

Net profit for the period was DKK 1,364k, which is in line with management's expectations for the period.

Expectations for the coming year

In 2020, the focus of the Company will be to invest the committed funds from Brickshare Invest AIF-SIKAV and to launch additional two new AIF with renewable investment strategies.

The Management of the Company expects a higher net profit for 2020 compared to 2019 as a result of an increase in asset under management due to new funds in the underlying AIF.

Business and financial risks

The Company is not exposed to special risks other than usual business risk for real estate.

The business risk is primarily related to the underlying fund. The result for 2019 is not deemed to be subject to other substantial business or financial risks.

Management's review

Significant events occurring after end of reporting period

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. Further, Management assess the Company has access to sufficient liquidity and can remain solvent through period of public health restrictions.

Management and directorships

The board of Directors consists of three members, a Chairman and two Board Members, as presented in the section below regarding the Director's affiliations. The Management consists of the CEO.

Directors affiliations

The board of Directors consists of three members, a Chairman and two Board Members, as presented in the section below regarding the Director's affiliations. The Management consists of the CEO.

Troels Bülow-Olsen, Chairman
Board member since 2019

Member of the Board of Directors
Jutlander Bank A/S
AP Ejendomme A/S, chairman
Brickshare A/S, chairman

Other management duties
Opendo A/S
BülowOlsen & Co. ApS
BO Holding 2018 ApS

Nina Riisgaard Lauritsen
Board member since 2019

Member of the Board of Directors
Brickshare A/S

Management's review

Johan Lorenzen
Board member since 2019
Member of the Board of Directors
Brickshare A/S
SPIIR A/S, chairman

Grandhood ApS, chairman
Grandhood Fondsmæglerselskab A/S, chairman

Other management duties
Enduro Invest IVS

Thomas Midtgaard
CEO since 2019

Board member of:
Sydhavn Ejendomme A/S, chairman
Nørrebro Ejendomme A/S, chairman
Ørestad Ejendomme A/S, chairman
Gnivil Holding ApS

CEO of:
J Invest IVS
Brickshare A/S
Brickshare Holding ApS
TM Capital IVS

Income statement and statement of comprehensive income
1 January 2019 - 31 December 2019

	Note	2019 DKK	2018 DKK
Administration fee	2	**5,034,445**	**0**
Staff expenses and administration	3	-3,380,558	-273,508
Profit/loss before financial income and expenses		**1,653,887**	**-273,508**
Financial income	4	100,880	0
Financial expenses	5	-6,333	-3,541
Profit/loss before tax		**1,748,434**	**-277,049**
Tax	6	-384,643	60,803
Net profit/loss for the period		**1,363,791**	**-216,246**

Statement of comprehensive income

Other comprehensive income		0	0
Total comprehensive income		**0**	**0**

Distribution of total comprehensive income

Retained earnings	1,363,791	-216,246
	1,363,791	**-216,246**

Balance sheet 31 December 2019

	Note	2019 DKK	2018 DKK
Assets			
Receivables from funds under management		346,686	0
Deferred tax asset		0	60,803
Other receivables	7	2,315,458	0
Receivables		**2,662,144**	**60,803**
Cash at bank and in hand	8	**2,563,339**	**1,023,621**
Assets total		**5,225,483**	**1,084,424**
Liabilities and equity			
Share capital	9	500,000	500,000
Retained earnings		1,947,545	583,754
Equity		**2,447,545**	**1,083,754**
Debt to funds under management		1,734,748	0
Current tax liabilities		323,840	0
Other payables	10	719,350	670
Total liabilities		**2,772,938**	**670**
Liabilities and equity total		**5,225,483**	**1,084,424**
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	11		
Related parties and ownership	12		
Fee to auditors appointed at the general meeting	13		
Financial risks and policies and targets for managing these	14		

Statement of Changes in Equity 2019

	Share capital DKK	Retained earnings DKK	Total DKK
Equity at 1 January 2019	500,000	583,754	1,083,754
Net profit/loss for the period	0	1,363,791	1,363,791
Other comprehensive income	0	0	0
Equity at 31 December 2019	**500,000**	**1,947,545**	**2,447,545**

Notes

1 Subsequent events

Reference to Management's review regarding Significant events occuring after end of reporting period for management's assessment of Covid-19.

	2019 DKK	2018 DKK
2 Administration fee		
Fund Nordvest	3,110,831	0
Fund Vanløse – Valby - Sydhavn	1,923,615	0
	5,034,445	**0**
3 Staff expenses and administration		
Wages and salaries	1,482,445	0
Pensions	3,000	0
Other social security costs	5,112	0
Special payroll tax based on total payroll	173,443	0
Other administration expenses	1,716,558	273,508
	3,380,558	**273,508**
Average number of employees	**5**	**0**
Hereof remuneration to management and board of directors:		
Management and material risk takers		
Fixed	312,500	0
Variable	0	0
	312,500	**0**
Number of employees in the above	2	0
Board of directors:		
Fixed	60,000	0
Variable	0	0
	60,000	**0**
Number of employees in the above	3	0

Depositary fee is paid by the AIF.

Notes

		2019 DKK	2018 DKK
4	**Financial income**		
	Interest received from group enterprises	100,880	0
		100,880	**0**
5	**Financial expenses**		
	Credit institutions	6,175	981
	Other financial costs	158	2,560
		6,333	**3,541**
6	**Taxes**		
	Current tax for the year	323,840	0
	Deferred tax for the year	60,803	-60,803
	Tax on profit/loss	**384,643**	**-60,803**
	Current tax rate	22.0%	22.0%
	Non-deductible items	0	-0.2%
	Average effective rate of tax	**22%**	**21.8%**
	Deferred tax asset 1 January 2019	60,803	0
	Tax loss carry-forward, adjustment	-60,803	60,803
	Deferred tax asset 31 December 2019	**0**	**60,803**
7	**Other receivables**		
	Demand	0	0
	Up to and including three months	200,578	0
	More than three months and up to and including one year	2,114,880	0
	More than one year and up to and including five years	0	0
	More than five years	0	0
		2,315,458	**0**

DKK 200,578 relates to deposit on accounts at a payment provider.

Notes

	2019 DKK	2018 DKK
8 Cash at bank and in hand		
Cash deposits with banks	2,563,339	1,023,621
	2,563,339	**1,023,621**

DKK 945,853 of initial capital is placed on a separate account to comply with the capital requirements pursuant to the FAIF-act, cf. section 16(1).

DKK 1,510,039 is placed on interim investor accounts, which are distributed to the underlying fund upon confirmation of investors.

9 Equity

The share capital consists of A-shares, each a nominal value of DKK 1.

	Nominal Value
A-shares of DKK 1	500,000

Each A-share carries one vote of nominally DKK 1.

10 Other payables

Demand	0	670
Up to and including three months	357,391	0
More than three months and up to and including one year	257,923	0
More than one year and up to and including five years	104,036	0
More than five years	0	0
	719,350	**670**

11 Contingent assets, liabilities and other financial obligations

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 A/S, 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

12 Related parties and ownership

Brickshare A/S
Vesterbrogade 149
DK-1620 Copenhagen V
100% owner of shares

Transactions

Controlling parties:
Brickshare A/S, Copenhagen DK, DKK 3.37m, of which DKK 1.25m regards a license fee according to agreement and DKK 2.12m regards receivables with accrued interest.

	2019 DKK	2018 DKK
13 Fee to auditors appointed at the general meeting		
Audit fee	62,500	12,500
Other assurance engagements	0	0
Tax advisory services	109,375	0
Other services	125,000	203,125
	296,875	**215,625**

14 Policies and targets for managing financial risks

Brickshare AIFM A/S ("Company) is not deemed subject to any direct financial risks. However, through its status as appointed Fund Manager for Brickshare Invest AIF-SIKAV, which purpose is to invest, directly or indirectly, in rental properties the Company is indirectly exposed to business risk within real estate.

The main risks within the Fund and its underlying funds are illiquidity and weak market trends.

Property investments are per se deemed illiquid as it can take time to sell a real estate asset at a price agreed upon by buyer and seller. The illiquidity risk can impact in cases where the redemption of a higher number of investors is conditioned on the realisation of the real estate assets since, at the limit, the investors may lose their investment if the asset cannot be realised.

The Company implements adequate liquidity management systems which enable it to monitor the liquidity risk. Actions to solidify the Fund will be taken if viewed prudent.

The real estate sector is exposed to the general state of the global and local economy, i.e. lending standard, interest rates etc. The Company implements adequate risk management systems in order to identify, measure, manage and monitor appropriately all risks.

Accounting Policies

The annual report of Brickshare AIFM A/S for 2019 has been prepared in accordance with the Danish Alternative Investment Fund Managers Act including the Danish Financial Supervisory Authority's executive order on general rules on annual reports and audits of Alternative Investment Funds, and the Danish Financial Supervisory Authority's executive order on financial reports for credit institutions, investment companies, etc.

The annual report for 2019 is presented in DKK.

Comparison figures cover the period 8 February 2018 to 31 December 2018.

Changes in accounting policies

Previously, the financial statements were prepared in accordance with the Danish Financial Statements Act.

The changes in the accounting framework have no effect on comparison figures. Further, the changes do not affect the principles for initial recognition and subsequent measurements.

Basis of recognition and measurement

Income is recognised on the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised on the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised on the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at fair value unless different method is described below for each asset and liability.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised on the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are recognised directly in equity.

Accounting Policies

Income statement

Administration fee

Revenue from management and placement fee is recognised on the income statement in the financial period.

Staff expenses and administration

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the Company's employees. Administration includes cost for purchase of services, audit, FAIF-application etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts relating to the financial period. Net financials include interest income and expenses, foreign currency gains and losses.

Tax on profit/loss for the period

Tax for the period, which comprises the current tax charge for the period and changes in the deferred tax charge, is recognised in the income statement for the period.

The Company is jointly taxed with Brickshare A/S. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Accounting Policies

Balance sheet

Receivables

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

Cash at bank and in hand

Cash at bank and in hand comprise cash.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised on the balance sheet as the estimated tax on the taxable income for the period.

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.

Accounting Policies

Financial debts

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

Financial ratios

Solvency ratio	=	$\frac{\text{Equity}}{\text{Total assets}}$
Return on equity before tax	=	$\frac{\text{Net profit before tax}}{\text{Avg. equity}}$
Return on equity after tax	=	$\frac{\text{Net profit after tax}}{\text{Avg. equity}}$
Asset under management	=	Total assets in the Alternative Investment Fund under management.