



## BoStad A/S

Bryghuspladsen 8, 3.  
1473 Copenhagen K  
CVR No. 29246491

## Annual report 01.07.2020 - 30.06.2021

The Annual General Meeting adopted the  
annual report on 30.11.2021

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**Michael Brichmann**

Chairman of the General Meeting

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# Entity details

## Entity

BoStad A/S

Bryghuspladsen 8, 3.

1473 Copenhagen K

Business Registration No.: 29246491

Registered office: Copenhagen K

Financial year: 01.07.2020 - 30.06.2021

## Board of Directors

Philipp Anton Braschel, Chairman

Rikke Hoffensetz Andresen

William Kanta

## Executive Board

William Kanta, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

# Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of BoStad A/S 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, 16.09.2021

## Executive Board

**William Kanta**

CEO

## Board of Directors

**Philipp Anton Braschel**

Chairman

**Rikke Hoffensetz Andresen**

**William Kanta**

# Independent auditor's report

## To the shareholders of BoStad A/S

### Opinion

We have audited the consolidated financial statements and the parent financial statements of BoStad A/S 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, 16.09.2021

**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	2019/20	2018/19	2017/18	2016/17
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
<b>Key figures</b>					
Gross profit/loss	65,823	43,992	57,186	87,767	66,310
Operating profit/loss	281,698	51,743	61,357	99,638	47,291
Net financials	(31,777)	(33,380)	(17,743)	(22,928)	(30,204)
Profit/loss for the year	195,039	12,227	33,097	59,676	15,144
Balance sheet total	2,707,015	1,824,973	1,859,619	1,875,991	2,038,571
Equity	834,556	459,516	366,560	329,211	269,535
<b>Ratios</b>					
Return on equity (%)	30.14	2.96	9.51	19.93	6.40
Equity ratio (%)	30.83	25.18	19.71	17.55	13.22

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

### Return on equity (%):

$\frac{\text{Profit/loss for the year} * 100}{\text{Average equity}}$

Average equity

### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Balance sheet total}}$

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 834 million.

After the balance sheet date, the Group has divested a 24,168 m<sup>2</sup> logistics property and entered into and closed an agreement concerning acquisition of an 8,470 m<sup>2</sup> 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 BoStad A/S 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 282 million (2019/20: DKK 52 million) and profit for the year before fair value adjustments of investment properties was DKK 22 million (2019/20: DKK 2 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 31.2 million (2019/20: DKK 33.4 million).

Fair value adjustments of investment properties for the year were DKK 228 million (2019/20: DKK 16 million) primarily due to a positive market development, delivery and stabilisation of the 46,000 m<sup>2</sup> of forward purchased newly built residential units and significant positive value adjustments from divestments.

Tax on profit for the year was DKK 55 million (2019/20: DKK 6 million).

#### Parent

The profit for the year before tax was DKK 175 million and are positively affected by income from group enterprises of DKK 169 million.

### Uncertainty relating to recognition and measurement

The Group's investment properties are measured at fair value, which as at the balance sheet date amounts to DKK 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.

BoStad A/S 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**.
- **BoStad A/S have been merged with BoStad Holding ApS** (with BoStad A/S as the continuing entity) on 1 August 2021 with financial effect as of 1 July 2020.
- 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 Harbour 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
<b>Gross profit/loss</b>		<b>65,823</b>	<b>43,992</b>
Fair value adjustments of investment property		227,730	16,140
Staff costs	2	(11,513)	(8,062)
Depreciation, amortisation and impairment losses		(342)	(327)
<b>Operating profit/loss</b>		<b>281,698</b>	<b>51,743</b>
Other financial income		1,213	117
Other financial expenses	3	(32,990)	(33,497)
<b>Profit/loss before tax</b>		<b>249,921</b>	<b>18,363</b>
Tax on profit/loss for the year	4	(54,882)	(6,136)
<b>Profit/loss for the year</b>	5	<b>195,039</b>	<b>12,227</b>

# 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
<b>Property, plant and equipment</b>	6	<b>2,635,461</b>	<b>1,717,752</b>
Deposits		146	132
Other receivables		0	6,533
<b>Financial assets</b>	7	<b>146</b>	<b>6,665</b>
<b>Fixed assets</b>		<b>2,635,607</b>	<b>1,724,417</b>
Manufactured goods and goods for resale		0	33,453
<b>Inventories</b>		<b>0</b>	<b>33,453</b>
Trade receivables		342	248
Receivables from group enterprises		108	0
Other receivables		12,625	20,696
Tax receivable		7,832	112
Prepayments	8	835	1,737
<b>Receivables</b>		<b>21,742</b>	<b>22,793</b>
<b>Cash</b>	9	<b>49,666</b>	<b>44,310</b>
<b>Current assets</b>		<b>71,408</b>	<b>100,556</b>
<b>Assets</b>		<b>2,707,015</b>	<b>1,824,973</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020/21 DKK'000</b>	<b>2019/20 DKK'000</b>
Contributed capital	10	169,221	169,221
Retained earnings		665,335	290,295
<b>Equity</b>		<b>834,556</b>	<b>459,516</b>
Deferred tax	11	85,652	36,724
<b>Provisions</b>		<b>85,652</b>	<b>36,724</b>
Mortgage debt		1,670,663	1,122,789
Deposits		2,363	1,644
Joint taxation contribution payable		3,122	0
Other payables		16,213	18,281
<b>Non-current liabilities other than provisions</b>	<b>12</b>	<b>1,692,361</b>	<b>1,142,714</b>
Current portion of non-current liabilities other than provisions	12	26,107	36,540
Bank loans		0	96,960
Deposits		42,632	32,775
Trade payables		12,469	4,319
Tax payable		0	890
Joint taxation contribution payable		747	0
Other payables		12,429	14,374
Deferred income	13	62	161
<b>Current liabilities other than provisions</b>		<b>94,446</b>	<b>186,019</b>
<b>Liabilities other than provisions</b>		<b>1,786,807</b>	<b>1,328,733</b>
<b>Equity and liabilities</b>		<b>2,707,015</b>	<b>1,824,973</b>
Uncertainty relating to recognition and measurement	1		
Unrecognised rental and lease commitments	15		
Contingent liabilities	16		
Assets charged and collateral	17		
Transactions with related parties	18		
Group relations	19		
Subsidiaries	20		

# Consolidated statement of changes in equity for 2020/21

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	169,221	290,296	459,517
Group contributions etc.	0	180,000	180,000
Profit/loss for the year	0	195,039	195,039
<b>Equity end of year</b>	<b>169,221</b>	<b>665,335</b>	<b>834,556</b>



# Consolidated cash flow statement for 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK'000
Operating profit/loss		281,698	51,743
Amortisation, depreciation and impairment losses		341	327
Adjustments of investment property		(227,730)	(16,140)
Working capital changes	14	19,371	7,425
<b>Cash flow from ordinary operating activities</b>		<b>73,680</b>	<b>43,355</b>
Financial income received		1,213	117
Financial expenses paid		(32,989)	(33,497)
Taxes refunded/(paid)		(1,041)	(21,129)
<b>Cash flows from operating activities</b>		<b>40,863</b>	<b>(11,154)</b>
Acquisition etc. of property, plant and equipment		(19,143)	(17,095)
Sale of property, plant and equipment		213,321	101,254
Deposited		(13)	168
Acquisition of properties, net of debt		(86,368)	0
<b>Cash flows from investing activities</b>		<b>107,797</b>	<b>84,327</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>148,660</b>	<b>73,173</b>
Cash capital increase		180,000	81,207
Net raised/repayments of loans ect		(323,304)	(150,474)
<b>Cash flows from financing activities</b>		<b>(143,304)</b>	<b>(69,267)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>5,356</b>	<b>3,906</b>
Cash and cash equivalents beginning of year		44,310	40,404
<b>Cash and cash equivalents end of year</b>		<b>49,666</b>	<b>44,310</b>
Cash and cash equivalents at year-end are composed of:			
Cash		49,666	44,310
<b>Cash and cash equivalents end of year</b>		<b>49,666</b>	<b>44,310</b>

# 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**

	<b>2020/21</b>	<b>2019/20</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries	9,153	6,293
Pension costs	1,728	1,267
Other social security costs	96	70
Other staff costs	536	432
	<b>11,513</b>	<b>8,062</b>

Average number of full-time employees	<b>13</b>	<b>9</b>
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	<b>Remuneration of manage- ment 2020/21 DKK'000</b>	<b>Remuneration of manage- ment 2019/20 DKK'000</b>
Total amount for management categories	3,450	2,443
	<b>3,450</b>	<b>2,443</b>

**3 Other financial expenses**

	<b>2020/21</b>	<b>2019/20</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial expenses from group enterprises	0	790
Other interest expenses	32,990	27,376
Other financial expenses	0	5,331
	<b>32,990</b>	<b>33,497</b>

**4 Tax on profit/loss for the year**

	<b>2020/21</b>	<b>2019/20</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	2,013	0
Change in deferred tax	52,749	6,169
Adjustment concerning previous years	120	(33)
	<b>54,882</b>	<b>6,136</b>

**5 Proposed distribution of profit/loss**

	<b>2020/21</b>	<b>2019/20</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Retained earnings	195,039	12,227
	<b>195,039</b>	<b>12,227</b>

## 6 Property, plant and equipment

	Investment property DKK'000	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	1,645,982	568
Additions	896,913	1,112
Disposals	(219,860)	(164)
<b>Cost end of year</b>	<b>2,323,035</b>	<b>1,516</b>
Depreciation and impairment losses beginning of year	0	(59)
Depreciation for the year	0	(342)
Reversal regarding disposals	0	132
<b>Depreciation and impairment losses end of year</b>	<b>0</b>	<b>(269)</b>
Fair value adjustments beginning of year	71,261	0
Fair value adjustments for the year	233,335	0
Reversal regarding disposals	6,583	0
<b>Fair value adjustments end of year</b>	<b>311,179</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>2,634,214</b>	<b>1,247</b>

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
<b>Cost end of year</b>	<b>146</b>
<b>Carrying amount end of year</b>	<b>146</b>

## 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 Contributed capital

	Number	Par value DKK'000	Nominal value DKK'000
Ordinary shares	169,221,316	0,001	169,221
	<b>169,221,316</b>		<b>169,221</b>

The company's contributed capital consists only of A-shares. It has in previous years consisted of difference classes.

## 11 Deferred tax

	2020/21 DKK'000	2019/20 DKK'000
Property, plant and equipment	92,614	40,212
Liabilities other than provisions	(21)	(244)
Tax losses carried forward	(6,941)	(3,244)
<b>Deferred tax</b>	<b>85,652</b>	<b>36,724</b>

<b>Changes during the year</b>	<b>2020/21 DKK'000</b>
Beginning of year	36,724
Recognised in the income statement	52,749
Other changes	(3,821)
<b>End of year</b>	<b>85,652</b>

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 located in Silkeborg, Vejle and Kolding 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 33 million.

## 12 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
Joint taxation contribution payable	0	0	3,122	0
Other payables	0	1,639	16,213	0
	<b>26,107</b>	<b>36,540</b>	<b>1,692,361</b>	<b>1,588,477</b>

## 13 Deferred income

Deferred income comprise revenue incurred relating to the following year.

## 14 Changes in working capital

	2020/21 DKK'000	2019/20 DKK'000
Increase/decrease in inventories	0	(8,780)
Increase/decrease in receivables	16,689	26,963
Increase/decrease in trade payables etc.	2,682	(10,758)
	<b>19,371</b>	<b>7,425</b>

## 15 Unrecognised rental and lease commitments

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

## 16 Contingent liabilities

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

## 17 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.

## 18 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.

## 19 Group relations

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

## 20 Subsidiaries

	Registered in	Corporate form	Ownership %
Hovedvejen 9, 2600 Glostrup ApS	Aarhus	ApS	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

# Parent income statement for 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK'000
<b>Gross profit/loss</b>		<b>8,424</b>	<b>(2,442)</b>
Staff costs	1	(8,725)	(5,967)
Depreciation, amortisation and impairment losses		(93)	(770)
<b>Operating profit/loss</b>		<b>(394)</b>	<b>(9,179)</b>
Income from investments in group enterprises		174,757	0
Other financial income	2	760	3,333
Impairment of financial assets		(5,452)	6,584
Other financial expenses	3	(2,948)	(1,586)
<b>Profit/loss before tax</b>		<b>166,723</b>	<b>(848)</b>
Tax on profit/loss for the year	4	458	1,622
<b>Profit/loss for the year</b>	5	<b>167,181</b>	<b>774</b>



# Parent balance sheet at 30.06.2021

## Assets

	Notes	2020/21 DKK'000	2019/20 DKK'000
Other fixtures and fittings, tools and equipment		548	478
<b>Property, plant and equipment</b>	6	<b>548</b>	<b>478</b>
Investments in group enterprises		578,727	106,051
Deposits		137	132
<b>Financial assets</b>	7	<b>578,864</b>	<b>106,183</b>
<b>Fixed assets</b>		<b>579,412</b>	<b>106,661</b>
Receivables from group enterprises		21,014	129,443
Deferred tax	8	310	1,689
Other receivables		8,022	24
Joint taxation contribution receivable		3,332	864
Prepayments	9	150	69
<b>Receivables</b>		<b>32,828</b>	<b>132,089</b>
<b>Cash</b>		<b>9,362</b>	<b>7,014</b>
<b>Current assets</b>		<b>42,190</b>	<b>139,103</b>
<b>Assets</b>		<b>621,602</b>	<b>245,764</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2020/21 DKK'000</b>	<b>2019/20 DKK'000</b>
Contributed capital		169,221	169,221
Retained earnings		410,971	74,074
<b>Equity</b>		<b>580,192</b>	<b>243,295</b>
Trade payables		775	143
Payables to group enterprises		38,652	0
Tax payable		0	998
Joint taxation contribution payable		196	0
Other payables		1,787	1,328
<b>Current liabilities other than provisions</b>		<b>41,410</b>	<b>2,469</b>
<b>Liabilities other than provisions</b>		<b>41,410</b>	<b>2,469</b>
<b>Equity and liabilities</b>		<b>621,602</b>	<b>245,764</b>
Contingent liabilities	10		
Assets charged and collateral	11		
Related parties with controlling interest	12		
Transactions with related parties	13		

# Parent statement of changes in equity for 2020/21

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	169,221	74,074	243,295
Effect of mergers and business combinations	0	(10,284)	(10,284)
Group contributions etc.	0	180,000	180,000
Profit/loss for the year	0	167,181	167,181
<b>Equity end of year</b>	<b>169,221</b>	<b>410,971</b>	<b>580,192</b>

Effect of mergers and business combinations are related to the merger between BoStad A/S and BoStad Holding ApS effected in the beginning of the year according to book-value-method.

# Notes to parent financial statements

## 1 Staff costs

	2020/21 DKK'000	2019/20 DKK'000
Wages and salaries	6,817	4,723
Pension costs	1,447	991
Other social security costs	42	40
Other staff costs	419	213
	<b>8,725</b>	<b>5,967</b>
Average number of full-time employees	<b>6</b>	<b>5</b>

	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
	<b>3,450</b>	<b>2,443</b>

## 2 Other financial income

	2020/21 DKK'000	2019/20 DKK'000
Financial income from group enterprises	760	3,333
	<b>760</b>	<b>3,333</b>

## 3 Other financial expenses

	2020/21 DKK'000	2019/20 DKK'000
Financial expenses from group enterprises	2,192	1,309
Other interest expenses	756	277
	<b>2,948</b>	<b>1,586</b>

## 4 Tax on profit/loss for the year

	2020/21 DKK'000	2019/20 DKK'000
Change in deferred tax	(59)	(1,622)
Adjustment concerning previous years	111	0
Refund in joint taxation arrangement	(510)	0
	<b>(458)</b>	<b>(1,622)</b>

## 5 Proposed distribution of profit and loss

	2020/21 DKK'000	2019/20 DKK'000
Retained earnings	167,181	774
	<b>167,181</b>	<b>774</b>

## 6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000
Cost beginning of year	558
Additions	162
<b>Cost end of year</b>	<b>720</b>
Depreciation and impairment losses beginning of year	(80)
Depreciation for the year	(92)
<b>Depreciation and impairment losses end of year</b>	<b>(172)</b>
<b>Carrying amount end of year</b>	<b>548</b>

## 7 Financial assets

	Investments in group enterprises DKK'000	Deposits DKK'000
Cost beginning of year	108,919	133
Addition through business combinations etc	595,975	0
Disposals on divestments etc.	(106,051)	0
Additions	0	4
<b>Cost end of year</b>	<b>598,843</b>	<b>137</b>
Impairment losses beginning of year	(2,868)	0
Impairment losses for the year	(17,248)	0
<b>Impairment losses end of year</b>	<b>(20,116)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>578,727</b>	<b>137</b>

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

## 8 Deferred tax

	<b>2020/21</b>
	<b>DKK'000</b>
Tax losses carried forward	310
<b>Deferred tax</b>	<b>310</b>

	<b>2020/21</b>
	<b>DKK'000</b>
<b>Changes during the year</b>	
Beginning of year	1,689
Recognised in the income statement	(111)
Other changes	(1,268)
<b>End of year</b>	<b>310</b>

## 9 Prepayments

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

## 10 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where CL Denmark ApS serves as the administration company. 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 for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

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.

## 11 Assets charged and collateral

The company has provided a guarantee for bank debt and mortgage debt in group enterprises. The debt at year end is 1,621,355 TDKK.

As security for debt in group enterprises BoStad A/S have deposited deeds on its investments in group enterprises.

**12 Related parties with controlling interest**

The company's Executive Board and Board of Directors have subscription right and thus have a controlling influence on BoStad A/S.

CL Denmark ApS owns all shares in the company and thus has a controlling influence on BoStad A/S.

CL V Ventures Offshore LLC is ultimate parent and thus has a controlling influence on BoStad A/S.

**13 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.

## 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.

**Income from investments in group enterprises**

Income from investments in group enterprises comprises dividends etc. received from the individual group enterprises in the financial year.

**Other financial income**

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

**Impairment of financial assets**

Impairment of financial assets comprise impairment of financial assets which are not measured at fair value on a current basis.

**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
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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.

**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

**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.

**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.

**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.