



## BoStad II ApS

Skovejen 11  
8000 Aarhus C  
CVR No. 32345832

## 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 II ApS  
Skovvejen 11  
8000 Aarhus C

Business Registration No.: 32345832  
Registered office: Aarhus C  
Financial year: 01.07.2020 - 30.06.2021

## Executive Board

William Kanta, adm. dir.

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

# Statement by Management

The Executive Board have today considered and approved the annual report of BoStad II ApS for the financial year 01.07.2020 - 30.06.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In my opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2021 and of the results of its operations for the financial year 01.07.2020 - 30.06.2021.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 16.09.2021

**Executive Board**

**William Kanta**

adm. dir.

# Independent auditor's report

## To the shareholders of BoStad II ApS

### Opinion

We have audited the financial statements of BoStad II ApS for the financial year 01.07.2020 - 30.06.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2021 and of the results of its operations 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 financial statements" section of this auditor's report. We are independent of the Entity 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 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 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 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 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 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 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 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 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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.

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the 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 financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the 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 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

**Chris Middelhede**

State Authorised Public Accountant  
Identification No (MNE) mne45823

# Management commentary

## Primary activities

The company's activities are purchase, sale and administration of real estate as well as development of real estate projects and other related activities.

## Development in activities and finances

The result of the year is TDKK 20,816 which by the management is considered as expected.

## Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.



# Income statement for 2020/21

	Notes	2020/21 DKK	2019/20 DKK
<b>Gross profit/loss</b>		<b>14,280,825</b>	<b>22,025,643</b>
Fair value adjustments of investment property		25,796,448	(25,066,161)
Staff costs	1	(2,171,575)	(1,832,800)
Depreciation, amortisation and impairment losses		(61,808)	(78,684)
<b>Operating profit/loss</b>		<b>37,843,890</b>	<b>(4,952,002)</b>
Other financial income	2	983,154	169,583
Other financial expenses	3	(12,281,569)	(14,308,985)
<b>Profit/loss before tax</b>		<b>26,545,475</b>	<b>(19,091,404)</b>
Tax on profit/loss for the year	4	(5,729,860)	3,013,602
<b>Profit/loss for the year</b>		<b>20,815,615</b>	<b>(16,077,802)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		20,815,615	(16,077,802)
<b>Proposed distribution of profit and loss</b>		<b>20,815,615</b>	<b>(16,077,802)</b>

# Balance sheet at 30.06.2021

## Assets

	Notes	2020/21 DKK	2019/20 DKK
Investment property		663,447,800	738,031,711
Other fixtures and fittings, tools and equipment		220,885	31,810
<b>Property, plant and equipment</b>	5	<b>663,668,685</b>	<b>738,063,521</b>
Deposits		2,388	0
<b>Financial assets</b>		<b>2,388</b>	<b>0</b>
<b>Fixed assets</b>		<b>663,671,073</b>	<b>738,063,521</b>
Trade receivables		262,643	332,692
Receivables from group enterprises		50,671	1,761,833
Other receivables		1,720,066	67,916
Joint taxation contribution receivable		1,266,075	0
Prepayments		117,056	166,339
<b>Receivables</b>		<b>3,416,511</b>	<b>2,328,780</b>
<b>Cash</b>	6	<b>15,948,757</b>	<b>1,333,977</b>
<b>Current assets</b>		<b>19,365,268</b>	<b>3,662,757</b>
<b>Assets</b>		<b>683,036,341</b>	<b>741,726,278</b>

**Equity and liabilities**

	Notes	2020/21 DKK	2019/20 DKK
Contributed capital		25,080,000	25,080,000
Retained earnings		103,297,513	55,957,378
<b>Equity</b>		<b>128,377,513</b>	<b>81,037,378</b>
Deferred tax		11,789,651	4,793,716
<b>Provisions</b>		<b>11,789,651</b>	<b>4,793,716</b>
Mortgage debt		505,702,922	603,927,313
<b>Non-current liabilities other than provisions</b>	7	<b>505,702,922</b>	<b>603,927,313</b>
Current portion of non-current liabilities other than provisions	7	4,414,025	0
Mortgage debt		0	5,479,074
Deposits		12,227,329	15,260,271
Prepayments received from customers		5,045,343	4,619,196
Trade payables		8,624,604	2,342,004
Payables to group enterprises		1,211,820	15,401,343
Joint taxation contribution payable		0	1,355,478
Other payables		5,636,754	7,435,471
Deferred income		6,380	75,034
<b>Current liabilities other than provisions</b>		<b>37,166,255</b>	<b>51,967,871</b>
<b>Liabilities other than provisions</b>		<b>542,869,177</b>	<b>655,895,184</b>
<b>Equity and liabilities</b>		<b>683,036,341</b>	<b>741,726,278</b>
Contingent liabilities	8		
Assets charged and collateral	9		

# Statement of changes in equity for 2020/21

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	25,080,000	55,957,378	81,037,378
Group contributions etc	0	26,524,520	26,524,520
Profit/loss for the year	0	20,815,615	20,815,615
<b>Equity end of year</b>	<b>25,080,000</b>	<b>103,297,513</b>	<b>128,377,513</b>

# Notes

## 1 Staff costs

	2020/21 DKK	2019/20 DKK
Wages and salaries	1,819,360	1,376,515
Pension costs	203,724	251,880
Other social security costs	28,518	21,913
Other staff costs	119,973	182,492
	<b>2,171,575</b>	<b>1,832,800</b>
Average number of full-time employees	<b>3</b>	<b>3</b>

## 2 Other financial income

	2020/21 DKK	2019/20 DKK
Financial income from group enterprises	679	76,476
Other financial income	982,475	93,107
	<b>983,154</b>	<b>169,583</b>

## 3 Other financial expenses

	2020/21 DKK	2019/20 DKK
Financial expenses from group enterprises	318,273	411,670
Other interest expenses	11,963,296	13,897,315
	<b>12,281,569</b>	<b>14,308,985</b>

## 4 Tax on profit/loss for the year

	2020/21 DKK	2019/20 DKK
Change in deferred tax	6,254,321	(3,013,602)
Adjustment concerning previous years	73,190	0
Refund in joint taxation arrangement	(597,651)	0
	<b>5,729,860</b>	<b>(3,013,602)</b>

## 5 Property, plant and equipment

	Investment property DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	728,249,957	526,207
Additions	12,516,943	282,693
Disposals	(121,675,051)	(163,530)
<b>Cost end of year</b>	<b>619,091,849</b>	<b>645,370</b>
Depreciation and impairment losses beginning of year	0	(494,397)
Depreciation for the year	0	(61,808)
Reversal regarding disposals	0	131,720
<b>Depreciation and impairment losses end of year</b>	<b>0</b>	<b>(424,485)</b>
Fair value adjustments beginning of year	9,781,754	0
Fair value adjustments for the year	28,588,903	0
Reversal regarding disposals	5,985,294	0
<b>Fair value adjustments end of year</b>	<b>44,355,951</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>663,447,800</b>	<b>220,885</b>

The company's investment property consist of a property primarily located on Zealand. The properties are primarily residential properties.

The investment property is recorded at fair value using a "Discounted Cash Flow" model (DCF model), with an discount factor between 5,75 % and 9,0 %, and an average off 6,21 %. 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 of 1.5%. Properties for sale are booked at the expected salesprice.

In calculating the future cash flows, a budget have been prepared containing rental income, vacancy and 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 recognized based on the budgeted income or in accordance with concluded leases, where specific rental prices have been agreed. Idle is also budgeted based on the current rental situation and is determined on the basis of the budgeted idle, just as expected maintenance costs are budgeted per property and projected with an annual increase of between 1,0 % and 2,0 %.

The terminal value is calculated as the budgeted cash flow in year 11, divided by the set discount factor including inflation.

Determination of the discount factor is associated with accounting estimates, with which there is uncertainty associated with the determination. An increase in the discount factor by 0.50 percentage points will reduce the value of the properties by DKK 47.7 million, while a decrease in the discount factor by 0.50 percentage points will increase the value of the properties by DKK 56.1 million.

## 6 Cash

As a part of the total booked cash, TDKK 5.626 is on an escrow account.

## 7 Non-current liabilities other than provisions

	<b>Due within 12 months 2020/21 DKK</b>	<b>Due after more than 12 months 2020/21 DKK</b>	<b>Outstanding after 5 years 2020/21 DKK</b>
Mortgage debt	4,414,025	505,702,922	478,238,578
	<b>4,414,025</b>	<b>505,702,922</b>	<b>478,238,578</b>

## 8 Contingent liabilities

The company has entered into an agreement regarding property management. The liability until maturity amounts to TDKK 1.563.

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 Entity participates in a Danish joint registration on VAT with the group's other companies, and the entity is liable unlimited and jointly for VAT with the other companies included in the joint registration.

## 9 Assets charged and collateral

Mortgage debt is secured by deposited mortgage deeds on the investment property with a book value of TDKK 663,448 in addition to owner's mortgage deeds.

# Accounting policies

## Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these 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.

## Income statement

### Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables 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.

### Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.



**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 salaries and wages, and social security contributions, pension contributions, etc for entity staff.

**Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment comprise depreciation, amortisation and impairment losses for the financial year.

**Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on receivables from group enterprises, 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 Entity is jointly taxed with all 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

Plant and machinery, and 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 property, plant and 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 10 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.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been 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.

**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.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

**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.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**Deferred income**

Deferred income comprises income received for recognition in subsequent financial years. Deferred income is measured at cost.