



Vivada Properties DK II ApS

Gammel Køge Landevej 57, 3.
2500 Valby
CVR No. 32669433

Annual report 01.01.2021 - 31.03.2022

The Annual General Meeting adopted the
annual report on 07.10.2022

Joris Dietbert Voorhoeve
Chairman of the General Meeting

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Entity details

Entity

Vivada Properties DK II ApS
Gammel Køge Landevej 57, 3.
2500 Valby

Business Registration No.: 32669433
Registered office: København
Financial year: 01.01.2021 - 31.03.2022

Executive Board

Joris Dietbert Voorhoeve
Hendrik Ebe Reitsma

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Vivada Properties DK II ApS for the financial year 01.01.2021 - 31.03.2022.

The annual report is presented 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 31.03.2022 and of the results of its operations for the financial year 01.01.2021 - 31.03.2022.

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.

Valby, 07.10.2022

Executive Board

Joris Dietbert Voorhoeve

Hendrik Ebe Reitsma

Independent auditor's report

To the shareholder of Vivada Properties DK II ApS

Opinion

We have audited the financial statements of Vivada Properties DK II ApS for the financial year 01.01.2021 - 31.03.2022, 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 31.03.2022 and of the results of its operations for the financial year 01.01.2021 - 31.03.2022 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 for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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, 07.10.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Allan Pedersen

State Authorised Public Accountant
Identification No (MNE) mne14952

Frederik Juhl Hestbæk

State Authorised Public Accountant
Identification No (MNE) mne47807

Management commentary

Primary activities

The activities of the company are to carry on, directly and indirectly, the acquisition and sale of real estate, the administration and management of real estate and other related activities.

The income statement for 2021-22 shows a profit of DKK 263,869,764.

The fair value adjustment of investment property reflects, among other things, rental income from current leases, finalizing building the property and other assumptions market participants would make when pricing the property under current market conditions. The fair value adjustment for the year amounts to DKK 345.9 million.

The annual report is affected by the merger as of 31.03.2022 between Vivada Properties DK HoldCo II A/S and Vivada Properties DK II PropCo ApS with the latter as the continuing company.

Vivada Danmark ApS, the Danish parent company of Vivada Properties DK HoldCo II A/S, as consideration for Vivada Properties DK HoldCo II A/S received the shares in Vivada Properties DK II PropCo ApS.

On 31.03.2022 Vivada Properties DK II PropCo ApS changed its name to Vivada Properties DK II ApS.

The financial year has been changed and therefore the comparison figures are not comparable.

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 2021/22

	Notes	2021/22 DKK	2020 DKK
Gross profit/loss		6,203,368	(406,672)
Other financial income		2,131	0
Other financial expenses	1	(8,539,779)	(63,150)
Profit/loss before fair value adjustments and tax		(2,334,280)	(469,822)
Fair value adjustment of investment properties		345,853,044	0
Profit/loss before tax		343,518,764	(469,822)
Tax on profit/loss for the year	2	(79,649,000)	(112,000)
Profit/loss for the year		263,869,764	(581,822)
Proposed distribution of profit and loss			
Extraordinary dividend distributed in the financial year		105,956,057	0
Retained earnings		157,913,707	(581,822)
Proposed distribution of profit and loss		263,869,764	(581,822)

Balance sheet at 31.03.2022

Assets

	Notes	2021/22 DKK	2020 DKK
Investment property		883,000,000	0
Property, plant and equipment in progress		0	515,366,370
Property, plant and equipment	3	883,000,000	515,366,370
Fixed assets		883,000,000	515,366,370
Trade receivables		0	35
Other receivables		818,090	5,473,634
Prepayments		810,383	6,465
Receivables		1,628,473	5,480,134
Cash		33,823,557	2,558,901
Current assets		35,452,030	8,039,035
Assets		918,452,030	523,405,405

Equity and liabilities

	Notes	2021/22 DKK	2020 DKK
Contributed capital		117,169,246	117,169,246
Retained earnings		177,594,112	17,747,129
Equity		294,763,358	134,916,375
Deferred tax		84,397,000	4,748,000
Provisions		84,397,000	4,748,000
Mortgage debt		497,511,542	0
Payables to group enterprises		27,000,000	0
Non-current liabilities other than provisions	4	524,511,542	0
Bank loans		0	360,054,828
Deposits		8,073,075	2,206,800
Prepayments received from customers		2,656,650	0
Trade payables		2,372,620	11,217,775
Payables to group enterprises		382,808	0
Other payables		1,294,977	10,261,627
Current liabilities other than provisions		14,780,130	383,741,030
Liabilities other than provisions		539,291,672	383,741,030
Equity and liabilities		918,452,030	523,405,405
Employees	5		
Contingent liabilities	6		
Assets charged and collateral	7		

Statement of changes in equity for 2021/22

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	117,169,246	17,747,129	134,916,375
Effect of mergers and business combinations	0	1,933,276	1,933,276
Extraordinary dividend paid	0	(105,956,057)	(105,956,057)
Profit/loss for the year	0	263,869,764	263,869,764
Equity end of year	117,169,246	177,594,112	294,763,358

Notes

1 Other financial expenses

	2021/22 DKK	2020 DKK
Financial expenses from group enterprises	3,856,093	0
Other interest expenses	4,666,206	63,150
Other financial expenses	17,480	0
	8,539,779	63,150

2 Tax on profit/loss for the year

	2021/22 DKK	2020 DKK
Change in deferred tax	79,649,000	112,000
	79,649,000	112,000

3 Property, plant and equipment

	Investment property DKK	Property, plant and equipment in progress DKK
Cost beginning of year	0	515,366,370
Transfers	515,366,370	(515,366,370)
Additions	21,780,586	0
Cost end of year	537,146,956	0
Fair value adjustments for the year	345,853,044	0
Fair value adjustments end of year	345,853,044	0
Carrying amount end of year	883,000,000	0
Interest recognised for the year	4,463,072	0

The company's investment property consists of property with a totaling 18,026 square meters in Copenhagen with residential rental and retail rental.

The fair value of investment properties is determined on the basis of a broker's assessment / DCF model with a yield of 2,98% on a total land area of 9,240 sq.m., of which 8,115 sq.m. is property.

The broker's assessment has been made on the basis of a DCF model, with comparison to similar properties in the surrounding area.

There is significant uncertainty associated with determining the yield. An increase in yield with a 0,5% will reduce the total fair value by DKK 91 million. An decrease of the yield with a 0,5% will increase the total fair value by DKK 114.6 million.

The fair value adjustment of investment property reflects, among other things, rental income from current leases, finalizing building the property and other assumptions market participants would make when pricing the property under current market conditions. The fair value adjustment for the year amounts to DKK 345.9 million.

4 Non-current liabilities other than provisions

	Due after more than 12 months 2021/22 DKK	Outstanding after 5 years 2021/22 DKK
Mortgage debt	497,511,542	0
Payables to group enterprises	27,000,000	27,000,000
	524,511,542	27,000,000

5 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

6 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where Vivada 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.

7 Assets charged and collateral

Mortgage debt is secured by way of mortgage on properties. The recognised value of the properties amounts to a total of DKK 883.000 thousand.

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 a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

The annual report is affected by the merger as of 31.03.2022. The comparative figures has not been adjusted as a result of the merger.

The financial year has also been changed and therefore the comparison figures are not comparable. The comparative period is 01.01.2020 - 31.12.2020.

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 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 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.

Other financial income

Other financial income comprises interest income and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme 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.

Balance sheet**Property, plant and equipment**

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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.

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 5 years are 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.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

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.

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.