



Vivada Properties DK II ApS

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

Annual report 01.04.2022 - 31.03.2023

The Annual General Meeting adopted the annual
report on 29.09.2023

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: Copenhagen
Financial year: 01.04.2022 - 31.03.2023

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 01.04.2022 - 31.03.2023.

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 31.03.2023 and of the results of its operations for the financial year 01.04.2022 - 31.03.2023.

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, 29.09.2023

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 01.04.2022 - 31.03.2023, 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 31.03.2023 and of the results of its operations for the financial year 01.04.2022 - 31.03.2023 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, 29.09.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant

Identification No (MNE) mne33712

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 annual result amounts to a loss of DKK 52,9 million, which is not considered satisfactory.

The reporting period for the comparison figures represents a period of 15 months.

Uncertainty relating to recognition and measurement

There is significant uncertainty associated with determining the yield. An increase in yield with 0.25% will reduce the total fair value by DKK 53,2 million. A decrease of the yield with 0.25% will increase the total fair value by DKK 61,3 million.

The fair value adjustment for the year amounts to a loss of DKK 82,7 million which relates to change in yield used.

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 2022/23

	Notes	2022/23 DKK	2021/22 DKK
Gross profit/loss		22,049,625	6,203,368
Fair value adjustments of investment property		(82,664,909)	345,853,044
Operating profit/loss		(60,615,284)	352,056,412
Other financial income	1	60,087	2,131
Other financial expenses	2	(7,258,512)	(8,539,779)
Profit/loss before tax		(67,813,709)	343,518,764
Tax on profit/loss for the year	3	14,092,528	(79,649,000)
Profit/loss for the year		(53,721,181)	263,869,764
Proposed distribution of profit and loss			
Ordinary dividend for the financial year		28,750,000	0
Extraordinary dividend distributed in the financial year		0	105,956,057
Retained earnings		(82,471,181)	157,913,707
Proposed distribution of profit and loss		(53,721,181)	263,869,764

Balance sheet at 31.03.2023

Assets

	Notes	2022/23 DKK	2021/22 DKK
Investment property		803,500,000	883,000,000
Property, plant and equipment	4	803,500,000	883,000,000
Fixed assets		803,500,000	883,000,000
Other receivables		676,271	818,090
Prepayments		1,725,451	810,383
Receivables		2,401,722	1,628,473
Cash		45,393,191	33,823,557
Current assets		47,794,913	35,452,030
Assets		851,294,913	918,452,030

Equity and liabilities

	Notes	2022/23 DKK	2021/22 DKK
Contributed capital		1,000,000	117,169,246
Retained earnings		99,092,177	177,594,112
Proposed dividend		28,750,000	0
Equity		128,842,177	294,763,358
Deferred tax		69,731,000	84,397,000
Provisions		69,731,000	84,397,000
Mortgage debt		498,049,566	497,511,542
Payables to group enterprises		139,200,000	27,000,000
Non-current liabilities other than provisions	5	637,249,566	524,511,542
Deposits		8,702,071	8,073,075
Prepayments received from customers		2,765,006	2,656,650
Trade payables		596,123	2,372,620
Payables to group enterprises		141,403	382,808
Joint taxation contribution payable		573,472	0
Other payables		2,694,095	1,294,977
Current liabilities other than provisions		15,472,170	14,780,130
Liabilities other than provisions		652,721,736	539,291,672
Equity and liabilities		851,294,913	918,452,030
Employees	6		
Contingent liabilities	7		
Assets charged and collateral	8		
Group relations	9		

Statement of changes in equity for 2022/23

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	117,169,246	177,594,112	0	294,763,358
Decrease of capital	(116,169,246)	116,169,246	0	0
Extraordinary dividend paid	0	(112,200,000)	0	(112,200,000)
Profit/loss for the year	0	(82,471,181)	28,750,000	(53,721,181)
Equity end of year	1,000,000	99,092,177	28,750,000	128,842,177

Notes

1 Other financial income

	2022/23	2021/22
	DKK	DKK
Other financial income	60,087	2,131
	60,087	2,131

2 Other financial expenses

	2022/23	2021/22
	DKK	DKK
Financial expenses from group enterprises	1,715,914	3,856,093
Other interest expenses	5,503,221	4,666,206
Other financial expenses	39,377	17,480
	7,258,512	8,539,779

3 Tax on profit/loss for the year

	2022/23	2021/22
	DKK	DKK
Current tax	573,472	0
Change in deferred tax	(14,666,000)	79,649,000
	(14,092,528)	79,649,000

4 Property, plant and equipment

	Investment property DKK
Cost beginning of year	537,146,956
Additions	3,164,908
Cost end of year	540,311,864
Fair value adjustments beginning of year	345,853,044
Fair value adjustments for the year	(82,664,908)
Fair value adjustments end of year	263,188,136
Carrying amount end of year	803,500,000

The company's investment properties consists of two properties with a total of 18,026 square meters in Copenhagen with both residential and commercial rental.

The fair value of investment properties is determined on the basis of a broker's assessment / DCF model with a weighted yield of 3,77%. 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 0.25% will reduce the total fair value by DKK 53,2 million. A decrease of the yield with 0.25% will increase the total fair value by DKK 61,3 million.

The fair value adjustment for the year amounts to a loss of DKK 82,7 million which relates to change in yield used.

5 Non-current liabilities other than provisions

	Due after more than 12 months 2022/23 DKK	Outstanding after 5 years 2022/23 DKK
Mortgage debt	498,049,566	0
Payables to group enterprises	139,200,000	139,200,000
	637,249,566	139,200,000

6 Employees

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

7 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.

8 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 803,500 thousand.

9 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Vivada Nordics B.V., Minervalaan 63, 1077 NR Amsterdam, The Netherlands

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Vivada Nordics B.V., Minervalaan 63, 1077 NR Amsterdam, The Netherlands

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.

Non-comparability

The financial year was changed last year and therefore the comparison figures are not comparable.

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, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies.

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**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 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.

Joint taxation contributions payable or receivable

Current joint taxation contributions receivable or joint taxation contributions payable are recognised in the balance sheet, calculated as tax computed on the taxable income of 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.