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# ***Bellakvarter Projektselskab A/S***

Center Boulevard 5, DK-2300 København S

## **Annual Report for 2019**

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CVR No 36 95 02 77

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
05/08 2020

Mette Kapsch  
Chairman of the General  
Meeting



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# Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Bellakvarter Projektselskab A/S for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 5 August 2020

## Executive Board

Henrik Gram  
Executive Officer

Mette Kapsch  
Executive Officer

## Board of Directors

Rune Holmgaard-Poulsen  
Chairman

Søren Møller-Larsson

Martin Rauhe Pedersen

# Independent Auditor's Report

To the Shareholder of Bellakvarter Projektselskab A/S

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2019 and of the results of the Company's operations for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Bellakvarter Projektselskab A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review 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 in Management's Review.

## 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 misstate-

# Independent Auditor's Report

ment, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## **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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events

# Independent Auditor's Report

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.

Hellerup, 5 August 2020

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

*CVR No 33 77 12 31*

Torben Jensen  
statsautoriseret revisor  
mne18651

Claus Carlsson  
statsautoriseret revisor  
mne29461

# Company Information

## **The Company**

Bellakvarter Projektselskab A/S  
Center Boulevard 5  
DK-2300 København S

CVR No: 36 95 02 77  
Financial period: 1 January - 31 December  
Financial year: 4th financial year  
Municipality of reg. office: Copenhagen

## **Board of Directors**

Rune Holmgaard-Poulsen, Chairman  
Søren Møller-Larsson  
Martin Rauhe Pedersen

## **Executive Board**

Henrik Gram  
Mette Kapsch

## **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

# Financial Highlights

Seen over a four-year period, the development of the Company is described by the following financial highlights:

	2019 DKK '000	2018 DKK '000	2017 DKK '000	2015/16* DKK '000
<b>Key figures</b>				
<b>Profit/loss</b>				
Revenue	638,885	706,299	1,174,306	400,596
Operating profit/loss	4,202	5,040	4,531	677
Profit/loss before financial income and expenses	4,202	5,040	4,531	677
Net financials	(157)	(106)	1,370	(17)
Net profit/loss for the year	3,145	3,847	4,603	515
<b>Balance sheet</b>				
Balance sheet total	66,165	87,784	120,032	116,334
Equity	12,610	9,465	5,618	1,015
<b>Ratios</b>				
Solvency ratio	19.1 %	10.8 %	4.7 %	0.9 %

For definitions of financial ratios, see under accounting policies.

\*The financial year 2015/2016 was the first financial year for the company and covered the period 1 July 2015 to 31 December 2016.



## Management's Review

Financial Statements of Bellakvarter Projektselskab A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The Annual Report has been prepared under the same accounting policies as last year.

### Key activities

Bellakvarter is a new attractive urban district of Copenhagen.

In cooperation with Copenhagen Municipality, the parent company of Bellakvarter Projektselskab A/S (the "Company") Bellakvarter A/S has developed a masterplan consisting of 182,000 square metres land on which new residential and commercial property can be constructed.

The construction projects are carried out by the Company on behalf of Bellakvarter A/S in close cooperation with Solstra Development ApS, and other carefully selected business partners.

The Company also have the option to purchase the final constructed properties from Bellakvarter A/S and re-sale these to 3rd party. The parties have entered into an agreement that provides the Company a fixed income margin based on net re-sale price for the constructed properties. In case Bellakvarter A/S chooses to keep a constructed property as investment property for rent, a different fixed margin on construction costs has been agreed between the Company and Bellakvarter A/S.

All construction costs and related operational cost during construction period are re-invoiced to Bellakvarter A/S at a monthly basis.

Cash flow not financed by prepayments, deposits and working capital are provided by Bellakvarter A/S.

### Results for the year

Profit before tax for 2019 amounts to DKK 4,045 thousands (2018: DKK 4,934 thousands). Company profit after tax are at DKK 3,145 thousands (2018: DKK 3,847 thousands). Tax on profit are at DKK 900 thousands (2018: DKK 1,087 thousands).

The expectations from last year has been met during the year 2019.

### Balance Sheet

Equity amounts to DKK 12,609 thousands (2018: DKK 9,464 thousands).

# Management's Review

## Outlook

By the end of 2020 approximately 1,150 private homes or 50% of the targeted 2,300 homes included in the masterplan are build or under construction. In total 89,000 square metres have been build in the period 2015-2019, including 2 parking houses. In 2019 further 37,700 square metres are under constructions and during 2020 a further 34,600 square metres are expected to be developed.

## External environment

The Company's impact on the external environment has been described in the Group Annual Report for Bellakvarter A/S. Please refer to note 9.

## Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

In relation to covid-19, please refer to note 1.

## Income Statement 1 January - 31 December

	Note	2019 DKK '000	2018 DKK '000
<b>Revenue</b>	2	<b>638,885</b>	<b>706,299</b>
Cost of goods sold		(634,519)	(701,180)
Other external expenses		(164)	(79)
<b>Gross profit/loss</b>		<b>4,202</b>	<b>5,040</b>
Financial expenses	3	(157)	(106)
<b>Profit/loss before tax</b>		<b>4,045</b>	<b>4,934</b>
Tax on profit/loss for the year	4	(900)	(1,087)
<b>Net profit/loss for the year</b>		<b>3,145</b>	<b>3,847</b>

# Balance Sheet 31 December

## Assets

	Note	2019 DKK '000	2018 DKK '000
Trade receivables		0	5,329
Receivables from group enterprises		62,089	66,134
Other receivables		0	7,912
Deferred tax asset	6	1,410	1,362
<b>Receivables</b>		<b>63,499</b>	<b>80,737</b>
<b>Cash at bank and in hand</b>		<b>2,666</b>	<b>7,047</b>
<b>Currents assets</b>		<b>66,165</b>	<b>87,784</b>
<b>Assets</b>		<b>66,165</b>	<b>87,784</b>

# Balance Sheet 31 December

## Liabilities and equity

	Note	2019 DKK '000	2018 DKK '000
Share capital		500	500
Retained earnings		12,110	8,965
<b>Equity</b>	<b>7</b>	<b>12,610</b>	<b>9,465</b>
Other provisions		6,411	6,191
<b>Provisions</b>		<b>6,411</b>	<b>6,191</b>
Trade payables		46,151	33,150
Contract work in progress	8	0	35,238
Payables to group enterprises		993	3,740
<b>Short-term debt</b>		<b>47,144</b>	<b>72,128</b>
<b>Debt</b>		<b>47,144</b>	<b>72,128</b>
<b>Liabilities and equity</b>		<b>66,165</b>	<b>87,784</b>
Subsequent events	1		
Distribution of profit	5		
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## Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK '000	DKK '000	DKK '000
Equity at 1 January	500	8,965	9,465
Net profit/loss for the year	0	3,145	3,145
<b>Equity at 31 December</b>	<b>500</b>	<b>12,110</b>	<b>12,610</b>

# Notes to the Financial Statements

## 1 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have great impact on the global economy. Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

Consequently, the assessments of impairment indications and fair value adjustments made by Management at 31 December 2019 are based on the future cash flows expected by Management at 31 December 2019, which may differ from the cash flows expected by Management at the time of adoption of the Annual Report

Bellakvarter Projektselskab A/S carry out construction of new buildings etc. on behalf of Bellakvarter A/S relating to the development of Bellakvarter urban district of Copenhagen. To date, Bellakvarter A/S has not been significant impacted of Covid-19 as the ongoing development currently still follows the plan for development.

	2019 DKK '000	2018 DKK '000
<b>2 Revenue</b>		
<b>Geographical segments</b>		
Revenue, Denmark	638,885	706,299
	<b>638,885</b>	<b>706,299</b>
<b>Business segments</b>		
Sale of properties	0	22,845
Contractual work for Bellakvarter A/S	591,458	559,340
Work in progress	47,427	124,114
	<b>638,885</b>	<b>706,299</b>
<b>3 Financial expenses</b>		
Other financial expenses	157	106
	<b>157</b>	<b>106</b>

# Notes to the Financial Statements

	2019 DKK '000	2018 DKK '000
<b>4 Tax on profit/loss for the year</b>		
Current tax for the year	948	2,097
Deferred tax for the year	(48)	(1,011)
Adjustment of tax concerning previous years	0	1
	<b>900</b>	<b>1,087</b>
<b>5 Distribution of profit</b>		
Retained earnings	3,145	3,847
	<b>3,145</b>	<b>3,847</b>
<b>6 Deferred tax asset</b>		
Deferred tax asset at 1 January	1,362	351
Amounts recognised in the income statement for the year	48	1,011
<b>Deferred tax asset at 31 December</b>	<b>1,410</b>	<b>1,362</b>

Deferred tax has been provided at 22% corresponding to the current tax rate.

## Deferred tax asset

The Company, as well as the Group, has generally generated a net income. The Company has not identified any indications that the deferred tax asset might be impaired.

## 7 Equity

The share capital consists of 500,000 shares of a nominal value of DKK 1. No shares carry any special rights.



## Notes to the Financial Statements

	2019 DKK '000	2018 DKK '000
<b>8 Contract work in progress</b>		
Selling price of work in progress	0	159,599
Payments received on account	0	(194,837)
	<u>0</u>	<u>(35,238)</u>
Recognised in the balance sheet as follows:		
Prepayments received recognised in liabilities	0	(35,238)
	<u>0</u>	<u>(35,238)</u>

## 9 Contingent assets, liabilities and other financial obligations

### Contingent liabilities

For the income year 2019, the companies within the Solstra Investments A/S group are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of Solstra Investments A/S, which is the management company for joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

# Notes to the Financial Statements

## 10 Related parties

Related parties during the year are considered to be the Board of Directors, Key Management and Bellakvarter A/S (Parent), as well as other companies in the Solstra Investments A/S Group.

### Controlling interest

ALFI Mark Trust, Liechtenstein	Ultimate parent company
Markerina Investments Ltd., Cyprus	Intermediate parent company
Solstra Holdings Cyprus Ltd., Cyprus	Intermediate parent company
Solstra Investments A/S, Copenhagen	Intermediate parent company
Bella Solstra Holding A/S, Copenhagen	Intermediate parent company
Bella Solstra A/S, Copenhagen	Intermediate parent company
Bellakvarter A/S, Copenhagen	Immediate parent company

Bellakvarter A/S is holding 100% of the votes in the Company.

### Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

# Notes to the Financial Statements

## 10 Related parties (continued)

### Consolidated Financial Statements

The Company is included in the Consolidated Financial Statements of Bellakvarter A/S, and in the intermediate parent company Solstra Investments A/S. The financial statements of the ultimate parent company, ALFI Mark Trust (Liechtenstein) is not disclosed publicly as a result of legislation in Liechtenstein.

Name	Place of registered office
Bellakvarter A/S	Copenhagen

The Consolidated Financial Statements of Bellakvarter A/S may be obtained at the following address:

Bellakvarter A/S  
Center Boulevard 5  
2300 København S

The company is included in the Consolidated Financial Statements of the intermediate parent company Solstra Investments A/S, which may be obtained at the following address:

Solstra Investments A/S  
c/o Solstra Capital Parternes  
Lautrupgade 7, 3. tv.  
DK-2100 København Ø

# Notes to the Financial Statements

## 11 Accounting Policies

The Annual Report of Bellakvarter Projektselskab A/S for 2019 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in DKK '000.

### Cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Bellakvarter A/S, the Company has not prepared a cash flow statement.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

### Revenue

Information on business segments based on the Company's risks and returns and its internal financial reporting system. Business segments are regarded as the primary segments.

## Income Statement

### Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

### Cost of goods sold

Cost of goods sold comprise the raw materials and consumables consumed to achieve revenue for the year.

### Other external expenses

Other external expenses comprise of audit and other expenses.

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

The Company is jointly taxed with Solstra Investments A/S, as well as its wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

## Balance Sheet

### Receivables

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

### Contract work in progress

Contract work in progress is measured at selling price of the work performed calculated on the basis of the stage of completion. The stage of completion is measured by the proportion that the contract expenses incurred to date bear to the estimated total contract expenses. Where it is probable that total contract expenses will exceed total revenues from a contract, the expected loss is recognised as an expense in the income statement.

Where the selling price cannot be measured reliably, the selling price is measured at the lower of expenses incurred and net realisable value.

Payments received on account are set off against the selling price. The individual contracts are classified as receivables when the net selling price is positive and as liabilities when the net selling price is negative.

Expenses relating to sales work and the winning of contracts are recognised in the income statement as incurred.

### Equity

#### *Dividend*

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

### Provisions

Other provisions include warranty obligations in respect of repair work within the warranty period. Provisions are measured and recognised based on experience with guarantee work.

# Notes to the Financial Statements

## 11 Accounting Policies (continued)

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

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

## Financial Highlights

### Explanation of financial ratios

Solvency ratio

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets at year end}}$$