

ST Skovbrynet Student ApS

Kristen Bernikows Gade 4 1. sal, 1105 København

Annual report

2020

Company reg. no. 38 68 41 59

The annual report was submitted and approved by the general meeting on the 21 July 2021.

Justin Hamer
Chairman of the meeting

Contents

Page

Reports

- 1 Management's report
- 2 Independent auditor's report

Management commentary

- 5 Company information
- 6 Management commentary

Financial statements 1 January - 31 December 2020

- 7 Accounting policies
- 11 Income statement
- 12 Statement of financial position
- 14 Statement of changes in equity
- 15 Notes

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS British English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

Today, the executive board has presented the annual report of ST Skovbrynet Student ApS for the financial year 2020.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the company's results of activities in the financial year 1 January - 31 December 2020.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

København, 13 July 2021

Executive board

Monique Jaqqam

Armon Bar-Tur

David Justin Irving Hamer

Michael Buckley

Independent auditor's report

To the shareholders of ST Skovbrynet Student ApS

Opinion

We have audited the financial statements of ST Skovbrynet Student ApS for the financial year 1 January - 31 December 2020, which comprise accounting policies, income statement, statement of financial position, statement of changes in equity and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2020 and of the results of the company's activities for the financial year 1 January - 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), 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.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the 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 express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, 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 believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 13 July 2021

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Leif Tomasson

State Authorised Public Accountant
mne25346

Company information

The company	ST Skovbrynet Student ApS Kristen Bernikows Gade 4 1. sal 1105 København
	Company reg. no. 38 68 41 59 Financial year: 1 January - 31 December 4th financial year
Executive board	Monique Jaqqam Armon Bar-Tur David Justin Irving Hamer Michael Buckley
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
Parent company	ST Holdings S.à r.l.

Management commentary

The principal activities of the company

Like previous years, the principal activities is to own, develop, lease, purchase and sell real estate as well as any other business affiliate thereto.

Development in activities and financial matters

The gross profit for the year totals DKK 266.000 against DKK -3.462.000 last year. Income or loss from ordinary activities after tax totals DKK 65.176.000 against DKK -2.702.000 last year. Management considers the net profit or loss for the year satisfactory.

Accounting policies

The annual report for ST Skovbrynet Student ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Income statement

Gross profit

Gross profit comprises the revenue, other operating income, and external costs.

The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue comprises the value of services provided during the year, including outlay for customers less VAT and price concessions directly associated with the sale.

Revenue is recognised in the income statement on the completion of sales. This is generally considered to be the case when:

- The service has been provided before the end of the financial year
- A binding sales agreement exists
- The sales price has been determined
- Payment has been received, or is anticipated with a reasonable degree of certainty.

This ensures that recognition does not take place until the total income and costs and stage of completion at the reporting date can be reliably validated and it seems probable that the economic benefits, including payments, will flow to the enterprise.

Lease income comprises income from the lease of property and from overhead costs collected and is recognised in the income statement for the period relating to the lease payment. Income from the heating account is recognised in the statement of financial position as a balance with lessees.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for distribution and administration.

Value adjustment of investment property

Value adjustment of investment property comprises value adjustments of properties at fair value and profit or loss from the disposal of properties.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Investment property

At the initial recognition, investment property is measured at cost, comprising the cost of the property and directly associated costs, if any.

Hereafter, investments are measured individually on the basis of a return-based cash flow model based on expected future net cash flows over a period of 10 years. The required rate of return is determined by an external assessor. Fair value measurement is made on the basis of estimated lease income and expected operating costs, including scheduled maintenance. Compared to the previous financial year, the method of measurement remains unchanged.

Costs adding new or improved qualities to an investment property compared to its condition at the time of acquisition, thereby improving the future return on the property, are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognised in the income statement under the item "Costs concerning investment property".

Like other property, plant, and equipment except for land, investment property has a limited economic life. The impairment taking place concurrently with the ageing of the investment property is reflected in the continuing measurement of the investment property at fair value.

Value adjustments are recognised in the income statement under the item "Value adjustments of property".

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounting policies

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired. If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments and accrued income

Prepayments and accrued income recognised under assets comprise incurred costs concerning the following financial year.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Also, capitalised residual leasing liabilities associated with financial leasing contracts are recognised in the financial liabilities.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross profit	265.907	-3.462.312
Value adjustment of investment property	99.178.086	0
Operating profit	99.443.993	-3.462.312
Other financial costs	-17.168.400	0
Pre-tax net profit or loss	82.275.593	-3.462.312
1 Tax on net profit or loss for the year	-17.100.000	760.000
Net profit or loss for the year	65.175.593	-2.702.312
Proposed appropriation of net profit:		
Transferred to retained earnings	65.175.593	0
Allocated from retained earnings	0	-2.702.312
Total allocations and transfers	65.175.593	-2.702.312

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Non-current assets		
2 Investment property	863.100.000	598.731.463
Total property, plant, and equipment	<u>863.100.000</u>	<u>598.731.463</u>
3 Other receivables	1.346.038	1.354.671
Total investments	<u>1.346.038</u>	<u>1.354.671</u>
Total non-current assets	<u>864.446.038</u>	<u>600.086.134</u>
Current assets		
Trade debtors	66.529	0
Deferred tax assets	0	1.600.000
Other receivables	3.933.732	1.895.557
Prepayments and accrued income	1.141.277	0
Total receivables	<u>5.141.538</u>	<u>3.495.557</u>
Cash on hand and demand deposits	<u>2.392.688</u>	<u>9.865.677</u>
Total current assets	<u>7.534.226</u>	<u>13.361.234</u>
Total assets	<u>871.980.264</u>	<u>613.447.368</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities		<u>2020</u>	<u>2019</u>
<u>Note</u>			
Equity			
Contributed capital		2.000.000	2.000.000
Retained earnings		<u>207.555.463</u>	<u>142.379.871</u>
Total equity		<u>209.555.463</u>	<u>144.379.871</u>
 Provisions			
Provisions for deferred tax		<u>15.500.000</u>	<u>0</u>
Total provisions		<u>15.500.000</u>	<u>0</u>
 Liabilities other than provisions			
4 Other payables		<u>617.586.474</u>	<u>452.999.210</u>
Total long term liabilities other than provisions		<u>617.586.474</u>	<u>452.999.210</u>
Trade payables		3.000.296	9.696.031
Payables to group enterprises		16.903.167	5.372.256
Other payables		<u>9.434.864</u>	<u>1.000.000</u>
Total short term liabilities other than provisions		<u>29.338.327</u>	<u>16.068.287</u>
Total liabilities other than provisions		<u>646.924.801</u>	<u>469.067.497</u>
 Total equity and liabilities		<u>871.980.264</u>	<u>613.447.368</u>
 5 Charges and security			
6 Contingencies			
7 Related parties			

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	2.000.000	142.379.870	144.379.870
Profit or loss for the year brought forward	0	65.175.593	65.175.593
	<u>2.000.000</u>	<u>207.555.463</u>	<u>209.555.463</u>

Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
1. Tax on net profit or loss for the year		
Adjustment for the year of deferred tax	17.100.000	-760.000
	<u>17.100.000</u>	<u>-760.000</u>
 2. Investment property		
Cost 1 January 2020	598.731.463	459.371.258
Additions during the year	165.190.451	281.042.550
Disposals during the year	0	-141.682.345
Cost 31 December 2020	<u>763.921.914</u>	<u>598.731.463</u>
Adjust of the year to fair value	99.178.086	0
Fair value adjustment 31 December 2020	<u>99.178.086</u>	<u>0</u>
 Carrying amount, 31 December 2020	<u>863.100.000</u>	<u>598.731.463</u>

The measurement of properties is made using a returnbased cash flow model based on expected future net cash flows over a period of 10 years. The required rate of return is determined by an external assessor. The fair value measurement is made on the basis of estimated rental income and expected operating costs, including scheduled maintenance. Cash flows beyond the 10th year (terminal value) is determined according to a netrent model based on the 10th year, but at average estimates as to vacant periods, improvement costs, major maintenance costs, and investments. Cash flows from each year and the value of the terminal year are discounted with the required rate of return determined for each individual property with addition of inflation.

The cash-flow includes an estimated vacancy in 2021 of 25 % and from 2022 a frictional vacancy of 2 %.

The property, which is located in Kgs. Lyngby, a very popular Copenhagen suburb, is mainly used as student housing and fitness, totalling 17.767 sq m.

The external assessor has applied a Discount Rate of 5.50 % with an Exit Capitalisation Rate of 4.00 %.

Notes

All amounts in DKK.

3. Other receivables

Guarantee, Lyngby Kommune	<u>1.346.038</u>	<u>1.354.671</u>
	<u>1.346.038</u>	<u>1.354.671</u>

4. Other payables

Total other payables	<u>617.586.474</u>	<u>452.999.210</u>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

A major part of other payables has been refinanced as of January 1, 2021, with an lower interest rate.

5. Charges and security

The company has issued mortgages registered to the owners totalling MDKK 575 as security for other payables. The mortgages registered to the owners provide security on the above land and buildings. The balance of the loan registered af other payables is MDKK 618, at 31 December 2020. As security to the lender the company also has issued an tranport in the agreement with the contractor, transport in the ABT93 guarantee provided by the contractor and transport in any loan provided by ST Holding s.a.r.l.

6. Contingencies

Contingent liabilities

There is a VAT adjustment liability of MDKK 126 which shall be paid in 9 yearly installments of MDKK 14 mio. DKK.

7. Related parties

Consolidated financial statements

The company is included in the consolidated annual accounts of ST Holdings S.á.r.l., 6, rue Eugene Ruppert, L-2453 Luxembourg