

ST Skovbrynet Student ApS

Kristen Bernikows Gade 4 1. sal, 1105 København

Annual report

2022

Company reg. no. 38 68 41 59

The annual report was submitted and approved by the general meeting on the 10 July 2023.

Alexander Juel Rosentorn
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Executive Board has approved the annual report of ST Skovbrynet Student ApS for the financial year 2022.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

København, 8 July 2023

Executive board

Kristina Olsen

Alexander Juel Rosentorn

Christian Gustaaf Teunissen

Frederik Evariste A. Snauwaert

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 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations for the financial year 1 January - 31 December 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 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' 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 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.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 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 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.

Independent auditor's report

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, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 8 July 2023

Martinsen

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

Leif Tomasson
State Authorised Public Accountant
mne25346

Maj-Britt Lykke Viskum
State Authorised Public Accountant
mne35478

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 6th financial year
Executive board	Kristina Olsen Alexander Juel Rosentorn Christian Gustaaf Teunissen Frederik Evariste A. Snauwaert
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
Parent company	XIOR Student Housing N.V.

Management´s review

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 revenue for the year totals DKK 50.140.000 against DKK 22.962.000 last year. Income or loss from ordinary activities after tax totals DKK 19.662.000 against DKK 40.330.000 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.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Income statement

Revenue

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.

Other operating income

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, operating loss and conflict compensation. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external costs

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.

Other operating expenses

Other operating expenses comprise items of secondary nature as regards the principal activities of the enterprise, including losses on the disposal of intangible and tangible assets.

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.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs and internally generated rights are recognised in the income statement as costs in the acquisition year.

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.

Accounting policies

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.

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

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

Cash and cash equivalents

Cash and cash equivalents 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.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Accounting policies

According to the rules of joint taxation, ST Skovbrynet Student ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

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.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

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.

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>2022</u>	<u>2021</u>
Revenue	50.140.342	22.962.205
Other operating income	125.619	0
Other external expenses	-11.755.651	-5.362.789
Costs concerning investment property	-10.060.476	-7.447.189
Value adjustment of investment property	30.392.247	82.425.051
Gross profit	58.842.081	92.577.278
Other operating expenses	-2.653.565	-2.247.962
Operating profit	56.188.516	90.329.316
Other financial income	517.043	0
1 Other financial expenses	-28.433.539	-34.749.405
Pre-tax net profit or loss	28.272.020	55.579.911
2 Tax on net profit or loss for the year	-8.610.000	-15.250.000
Net profit or loss for the year	19.662.020	40.329.911
Proposed distribution of net profit:		
Transferred to retained earnings	19.662.020	40.329.911
Total allocations and transfers	19.662.020	40.329.911

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Non-current assets		
3 Development projects in progress and prepayments for intangible assets	782.621	0
Total intangible assets	782.621	0
4 Investment property	1.102.790.000	1.070.000.000
Total property, plant, and equipment	1.102.790.000	1.070.000.000
5 Other receivables	142.393	1.335.165
Total investments	142.393	1.335.165
Total non-current assets	1.103.715.014	1.071.335.165
Current assets		
Trade receivables	31.550	5.000
Receivables from group enterprises	1.910.033	0
Other receivables	4.247.444	5.087.388
Prepayments	957.920	2.268.659
Total receivables	7.146.947	7.361.047
Cash and cash equivalents	747.782	19.078.976
Total current assets	7.894.729	26.440.023
Total assets	1.111.609.743	1.097.775.188

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Equity		
Contributed capital	2.000.000	2.000.000
Retained earnings	267.547.395	247.885.375
Total equity	269.547.395	249.885.375
Provisions		
Provisions for deferred tax	39.360.000	30.750.000
Total provisions	39.360.000	30.750.000
Liabilities other than provisions		
Payables to group enterprises	649.150.469	594.625.230
Other payables	106.494.084	164.501.708
6 Total long term liabilities other than provisions	755.644.553	759.126.938
Trade payables	2.016.304	3.683.426
Payables to subsidiaries	17.140.133	26.015.692
Other payables	27.901.358	28.313.757
Total short term liabilities other than provisions	47.057.795	58.012.875
Total liabilities other than provisions	802.702.348	817.139.813
Total equity and liabilities	1.111.609.743	1.097.775.188
7 Charges and security		
8 Contingencies		
9 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 2021	2.000.000	207.555.464	209.555.464
Profit or loss for the year brought forward	0	40.329.911	40.329.911
Equity 1 January 2022	2.000.000	247.885.375	249.885.375
Profit or loss for the year brought forward	0	19.662.020	19.662.020
	<u>2.000.000</u>	<u>267.547.395</u>	<u>269.547.395</u>

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Other financial expenses		
Financial costs, group enterprises	14.701.402	1.731.822
Other financial costs	<u>13.732.137</u>	<u>33.017.583</u>
	<u>28.433.539</u>	<u>34.749.405</u>
2. Tax on net profit or loss for the year		
Adjustment for the year of deferred tax	<u>8.610.000</u>	<u>15.250.000</u>
	<u>8.610.000</u>	<u>15.250.000</u>
3. Development projects in progress and prepayments for intangible assets		
Additions during the year	<u>782.621</u>	<u>0</u>
Cost 31 December 2022	<u>782.621</u>	<u>0</u>
Carrying amount, 31 December 2022	<u>782.621</u>	<u>0</u>
4. Investment property		
Cost 1 January 2022	888.396.863	763.921.914
Additions during the year	<u>2.397.752</u>	<u>124.474.949</u>
Cost 31 December 2022	<u>890.794.615</u>	<u>888.396.863</u>
Fair value adjustment 1 January 2022	181.603.137	99.178.086
Adjust of the year to fair value	<u>30.392.248</u>	<u>82.425.051</u>
Fair value adjustment 31 December 2022	<u>211.995.385</u>	<u>181.603.137</u>
Carrying amount, 31 December 2022	<u>1.102.790.000</u>	<u>1.070.000.000</u>

Notes

All amounts in DKK.

4. Investment property (continued)

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. (incl. fitness room, cinema and study rooms) BaseCamp Lyngby contains a total of 639 student housing units. The student housing consists of mixed unit types and are ranging in sizes from 16-36 sq m. The Property is built in combination with 147 residential units, which contributes to a dynamic and lively environment.

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.

Compared to the previous financial year, the methods of measurement remain unchanged.

The cash flow model applied:

Rental income	<u>56.971.884</u>
Gross rent	<u>56.971.884</u>
Operating expenses (real property tax, insurance, other taxes, cleaning, etc.)	<u>-12.700.249</u>
Costs	<u>-12.700.249</u>
Net rent	<u>44.271.635</u>
Annual cash flows	<u>44.271.635</u>

Notes

All amounts in DKK.

4. Investment property (continued)

Specification/definition of individual items in the cash flow model:

Gross rent:

For valuation purpose we have assumed average rent achieved for each apartment type.

Costs:

Running costs of 12.700.249 DKK (19,875 per unit) inclusive of a management fee and non-recoverable VAT.

Annual cash flows:

Taking the gross income, as above, and deducting the total running costs provides a net income of 44.271.635 DKK.

Required rate of return

The external assessor has applied a Discount Rate of 4,0 % on the student housing and 6,0% on the commercial part.

Our valuation is 1.102.790.000 DKK corresponding to 1.719.900 DKK per unit.

Sensitivity analysis:

The major factors in determining the fair value of the property are the rates of return and occupancy, respectively. A change in the rate of return of 1,0% will result in a fluctuation of DKK 221.358.000 in the fair value of the property.

5. Other receivables

Guarantee, Lyngby Kommune	142.393	1.335.165
	<u>142.393</u>	<u>1.335.165</u>

6. Long term liabilities other than provisions

	Total payables 31 Dec 2022	Current portion of long term payables	Long term payables 31 Dec 2022	Outstanding payables after 5 years
Payables to group enterprises	649.150.469	0	649.150.469	0
Other payables	106.494.084	0	106.494.084	41.000.000
	<u>755.644.553</u>	<u>0</u>	<u>755.644.553</u>	<u>41.000.000</u>

Notes

All amounts in DKK.

7. Charges and security

The company has provided a guarantee of DKK 125,000 to Lyngby Municipality.

8. Contingencies

Contingent liabilities

Joint taxation

With BaseCamp Student Operations ApS, company reg. no 36934085 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

9. Related parties

Consolidated financial statements

The company is included in the consolidated annual accounts of XIOR Student Housing N.V., Mechelsesteenweg 34, 2018 Antwerp, Belgium