

**ST Skovbrynet Student ApS**

**Kristen Bernikows Gade 4 1. sal, 1105 København**

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**Annual report**

**2021**

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**Company reg. no. 38 68 41 59**

The annual report was submitted and approved by the general meeting on the 10 May 2022.

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**Justin Hamer**  
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**

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Today, the Executive Board has approved the annual report of ST Skovbrynet Student ApS for the financial year 2021.

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 2021 and of the results of the Company's operations for the financial year 1 January - 31 December 2021.

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, 10 May 2022

### **Executive board**

Monique Jaqqam

Armon Nathan Mordecia Bar-Tur    David Justin Irving Hamer

Michael Buckley

Kristina Olsen

## Independent auditor's report

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### 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 2021, 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 2021, and of the results of the Company's operations for the financial year 1 January - 31 December 2021 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

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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**

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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, 10 May 2022

### **Martinsen**

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

### **Leif Tomasson**

State Authorised Public Accountant  
mne25346

## Company information

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<b>The company</b>	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 5th financial year
<b>Executive board</b>	Monique Jaqqam Armon Nathan Mordecia Bar-Tur David Justin Irving Hamer Michael Buckley Kristina Olsen
<b>Auditors</b>	Martinsen Statsautoriseret Revisionspartnerselskab Øster Allé 42 2100 København Ø
<b>Parent company</b>	ST Holdings S.à r.l.

## **Management´s review**

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### **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 22.962.000 against DKK 3.652.000 last year. Income or loss from ordinary activities after tax totals DKK 40.330.000 against DKK 65.176.000 last year. The development must be seen in light of the fact that, according to the annual report 2020, the company expected revenues for 2021 in the region of DKK and income or loss from ordinary activities after tax of DKK . Management considers the net profit or loss for the year satisfactory.



## Accounting policies

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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.

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

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

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

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### 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

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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.

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

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### 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

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Revenue	22.962.205	3.652.315
Other operating income	0	1.158.523
Other external expenses	-5.362.789	-1.300.131
Costs concerning investment property	-7.447.189	-3.244.800
Value adjustment of investment property	82.425.051	99.178.086
<b>Gross profit</b>	<b>92.577.278</b>	<b>99.443.993</b>
Other operating expenses	-2.247.962	0
<b>Operating profit</b>	<b>90.329.316</b>	<b>99.443.993</b>
1 Other financial expenses	-34.749.405	-17.168.400
<b>Pre-tax net profit or loss</b>	<b>55.579.911</b>	<b>82.275.593</b>
2 Tax on net profit or loss for the year	-15.250.000	-17.100.000
<b>Net profit or loss for the year</b>	<b>40.329.911</b>	<b>65.175.593</b>
<b>Proposed appropriation of net profit:</b>		
Transferred to retained earnings	40.329.911	65.175.593
<b>Total allocations and transfers</b>	<b>40.329.911</b>	<b>65.175.593</b>

**Balance sheet at 31 December**

All amounts in DKK.

<b>Assets</b>		
<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Non-current assets</b>		
3 Investment property	1.070.000.000	863.100.000
Total property, plant, and equipment	<u>1.070.000.000</u>	<u>863.100.000</u>
4 Other receivables	1.335.165	1.346.038
Total investments	<u>1.335.165</u>	<u>1.346.038</u>
<b>Total non-current assets</b>	<b><u>1.071.335.165</u></b>	<b><u>864.446.038</u></b>
<b>Current assets</b>		
Trade debtors	5.000	0
Other receivables	5.087.388	4.000.261
Prepayments	2.268.659	1.141.277
Total receivables	<u>7.361.047</u>	<u>5.141.538</u>
Cash and cash equivalents	<u>19.078.976</u>	<u>2.392.688</u>
<b>Total current assets</b>	<b><u>26.440.023</u></b>	<b><u>7.534.226</u></b>
<b>Total assets</b>	<b><u>1.097.775.188</u></b>	<b><u>871.980.264</u></b>

**Balance sheet at 31 December**

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Contributed capital	2.000.000	2.000.000
Retained earnings	247.885.375	207.555.464
<b>Total equity</b>	<b>249.885.375</b>	<b>209.555.464</b>
<b>Provisions</b>		
Provisions for deferred tax	30.750.000	15.500.000
<b>Total provisions</b>	<b>30.750.000</b>	<b>15.500.000</b>
<b>Liabilities other than provisions</b>		
5 Other payables	759.126.938	617.586.474
Total long term liabilities other than provisions	759.126.938	617.586.474
Trade payables	3.683.426	3.000.295
Payables to subsidiaries	26.015.692	16.903.167
Other payables	28.313.757	9.434.864
Total short term liabilities other than provisions	58.012.875	29.338.326
<b>Total liabilities other than provisions</b>	<b>817.139.813</b>	<b>646.924.800</b>
<b>Total equity and liabilities</b>	<b>1.097.775.188</b>	<b>871.980.264</b>
<b>6 Charges and security</b>		
<b>7 Related parties</b>		

## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2020	2.000.000	142.379.871	144.379.871
Profit or loss for the year brought forward	0	65.175.593	65.175.593
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
	<u>2.000.000</u>	<u>247.885.375</u>	<u>249.885.375</u>



## Notes

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All amounts in DKK.

	<u>2021</u>	<u>2020</u>
<b>1. Other financial expenses</b>		
Financial costs, group enterprises	1.731.822	161.306
Other financial costs	<u>33.017.583</u>	<u>17.007.094</u>
	<u><b>34.749.405</b></u>	<u><b>17.168.400</b></u>
<b>2. Tax on net profit or loss for the year</b>		
Adjustment for the year of deferred tax	<u>15.250.000</u>	<u>17.100.000</u>
	<u><b>15.250.000</b></u>	<u><b>17.100.000</b></u>
<b>3. Investment property</b>		
Cost 1 January 2021	763.921.914	598.731.463
Additions during the year	<u>124.474.949</u>	<u>165.190.451</u>
<b>Cost 31 December 2021</b>	<u><b>888.396.863</b></u>	<u><b>763.921.914</b></u>
Fair value adjustment 1 January 2021	99.178.086	0
Adjust of the year to fair value	<u>82.425.051</u>	<u>99.178.086</u>
<b>Fair value adjustment 31 December 2021</b>	<u><b>181.603.137</b></u>	<u><b>99.178.086</b></u>
<b>Carrying amount, 31 December 2021</b>	<u><b>1.070.000.000</b></u>	<u><b>863.100.000</b></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 2022 of 15% and from 2023 a frictional vacancy of 2,5%.

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.

## Notes

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All amounts in DKK.

### 3. Investment property (continued)

The external assessor has applied a Discount Rate of 5,25 % with an Exit Capitalisation Rate of 3,75 %.

### 4. Other receivables

Guarantee, Lyngby Kommune	<u>1.335.165</u>	<u>1.346.038</u>
	<u>1.335.165</u>	<u>1.346.038</u>

### 5. Other payables

Total other payables	<u>759.126.938</u>	<u>617.586.474</u>
Share of liabilities due after 5 years	<u>54.700.000</u>	<u>0</u>

### 6. 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 650, at 31 December 2021. 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.

### 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