

BC Skovbrynet Residential ApS
Kristen Bernikows gade 4 1., 1105 København K

Annual report
2022

Company reg. no. 38 70 36 09

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 BC Skovbrynet Residential 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.

Copenhagen, 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 BC Skovbrynet Residential ApS

Opinion

We have audited the financial statements of BC Skovbrynet Residential 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	BC Skovbrynet Residential ApS Kristen Bernikows gade 4 1. 1105 København K
	Company reg. no. 38 70 36 09
	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	BaseCamp Student Real Estate ApS

Management´s review

The principal activities of the company

Like previous years, the 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 13.173.000 against DKK 3.324.000 last year. Income or loss from ordinary activities after tax totals DKK -73.973.000 against DKK 80.176.000 last year. Management considers the net profit or loss for the year unsatisfactory.

Accounting policies

The annual report for BC Skovbrynet Residential ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises.

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

Income statement

Gross profit

Gross profit comprises the revenue, changes in inventories of finished goods, and work in progress, own work capitalised, 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.

Other external costs comprise costs for distribution, sales, advertisement, administration, premises, loss on debtors, and operational leasing costs.

Costs concerning investment properties comprise operation costs, repair and maintenance costs, taxes, charges and other costs. Costs concerning the heating accounts are recognised in the balance sheet as a balance among the lessees.

Value adjustment of investment property

Value adjustment of investment property comprises value adjustments of properties at fair value and gain or loss from 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 of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

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

The balance sheet

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist.

Investment property

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

Accounting policies

Hereafter, investment are measured individually on the basis of a return-based cash flow model based on expected future net cash flow 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 rental income and expected operating costs, including scheduled maintenance. Compared to the latest financial year, the methods of measurement used have not been changed.

Costs which add new or improved qualities to an investment property compared to its condition at the time of acquisition and which thereby improves 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 profit and loss account in the item "Costs concerning investment property".

Like other material fixed assets, except from land, investment property has a limited life financial life. The impairment taking place concurrently with the aging of the investment property is reflected in the current measuring of the investment property at fair value.

Value adjustments are recognised in the profit and loss account in 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.

Accounting policies

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"

According to the rules of joint taxation, BC Skovbrynet Residential 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.

Accounting policies

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.

Accrued expenses and deferred income

Received payments concerning income during the following years are recognised under accrued expenses and deferred income.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Gross profit	13.172.860	3.324.145
Value adjustment of investment property	-90.006.837	131.561.348
Other operating expenses	-653.993	-396.422
Operating profit	-77.487.970	134.489.071
Other financial income	7.414	0
1 Other financial expenses	-15.372.290	-18.463.406
Pre-tax net profit or loss	-92.852.846	116.025.665
Tax on net profit or loss for the year	18.880.000	-35.850.000
Net profit or loss for the year	-73.972.846	80.175.665
Proposed distribution of net profit:		
Transferred to retained earnings	0	80.175.665
Allocated from retained earnings	-73.972.846	0
Total allocations and transfers	-73.972.846	80.175.665

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2022</u>	<u>2021</u>
Non-current assets		
2 Investment property	517.000.004	602.800.001
Total property, plant, and equipment	<u>517.000.004</u>	<u>602.800.001</u>
3 Other receivables	0	642.857
Total investments	<u>0</u>	<u>642.857</u>
Total non-current assets	<u>517.000.004</u>	<u>603.442.858</u>
Current assets		
Trade receivables	1.016.828	400.507
Receivables from group enterprises	240.776	0
Prepayments	391.272	643.038
Total receivables	<u>1.648.876</u>	<u>1.043.545</u>
Cash and cash equivalents	<u>679.711</u>	<u>13.808.907</u>
Total current assets	<u>2.328.587</u>	<u>14.852.452</u>
Total assets	<u>519.328.591</u>	<u>618.295.310</u>

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
Results brought forward	105.174.532	179.147.378
Total equity	107.174.532	181.147.378
Provisions		
Provisions for deferred tax	32.480.000	51.360.000
Total provisions	32.480.000	51.360.000
Long term liabilities other than provisions		
Payables to group enterprises	322.434.245	0
Other payables	28.743.114	336.437.623
4 Total long term liabilities other than provisions	351.177.359	336.437.623
4 Current portion of long term liabilities	13.385.245	4.790.519
Trade creditors	944.952	1.787.681
Payables to subsidiaries	205.958	29.937.654
Other payables	12.171.476	11.811.120
Prepayments	1.789.069	1.023.335
Total short term liabilities other than provisions	28.496.700	49.350.309
Total liabilities other than provisions	379.674.059	385.787.932
Total equity and liabilities	519.328.591	618.295.310
5 Charges and security		
6 Contingencies		

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	98.971.713	100.971.713
Profit or loss for the year brought forward	0	80.175.665	80.175.665
Equity 1 January 2022	2.000.000	179.147.378	181.147.378
Profit or loss for the year brought forward	0	-73.972.846	-73.972.846
	<u>2.000.000</u>	<u>105.174.532</u>	<u>107.174.532</u>

Notes

All amounts in DKK.

	<u>2022</u>	<u>2021</u>
1. Other financial expenses		
Financial costs, group enterprises	8.938.667	3.906.556
Other financial costs	<u>6.433.623</u>	<u>14.556.850</u>
	<u>15.372.290</u>	<u>18.463.406</u>
	<u>31/12 2022</u>	<u>31/12 2021</u>
2. Investment property		
Cost 1 January 2022	393.852.558	392.613.905
Additions during the year	<u>4.206.840</u>	<u>1.238.653</u>
Cost 31 December 2022	<u>398.059.398</u>	<u>393.852.558</u>
Fair value adjustment 1 January 2022	208.947.443	77.386.096
Adjust of the year to fair value	<u>-90.006.837</u>	<u>131.561.347</u>
Fair value adjustment 31 December 2022	<u>118.940.606</u>	<u>208.947.443</u>
Carrying amount, 31 December 2022	<u>517.000.004</u>	<u>602.800.001</u>

The property is located in Lyngby. The property location is considered to be outside the prime of which is the Copenhagen City centre. BaseCamp Lyngby opened in August 2020 and contains 147 residential unit, and the total residential area amounts to 12,055 sq m (incl. technical area and fitness) with parking on site and in parking basement. The property is comprising 48 units for 50+ use - however the declaration regarding this restriction is anticipated to laps - and 99 regular residential units as well as fitness room. The property is built in combination with 639 student housing units, which contribute 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:

Notes

All amounts in DKK.

2. Investment property (continued)

Rental income	23.005.026
Gross rent	<u>23.005.026</u>
Operating expenses (real property tax, insurance, other taxes, cleaning, etc.)	-3.741.295
Costs	<u>-3.741.295</u>
Net rent	<u>19.263.731</u>
Annual cash flows	<u>19.263.731</u>

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

Gross rent:

For valuation purpose the average rent achieved for each apartment type.

Costs:

Running costs of 3.741.295 DKK (25,451 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 19.263.731 DKK.

Required rate of return

We have used a NIY 3,70% based on the projected net income for the forthcoming 12-month period.

Our valuation is 517.000.000 DKK corresponding to 3.517.000 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 107.000.000 DKK in the fair value of the property.

	<u>31/12 2022</u>	<u>31/12 2021</u>
3. Other receivables		
Guarantee, Lyngby Kommune	<u>0</u>	<u>642.857</u>
	<u>0</u>	<u>642.857</u>

Notes

All amounts in DKK.

4. 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	331.028.971	8.594.726	322.434.245	0
Other payables	33.533.633	4.790.519	28.743.114	9.581.038
	<u>364.562.604</u>	<u>13.385.245</u>	<u>351.177.359</u>	<u>9.581.038</u>

5. Charges and security

The company has issued mortgages registered to the owners totalling MDKK 290 as security for other payables. The mortgages registered to the owners provide security on the above land and building, which is representing a carrying amount of MDKK 515. The balance of the loan registered as other payables is MDKK 0, at 31 December 2022. As security to the lender, the company also has issued an transport in the agreement with the contractor, transport in the ABT93 guarantee provided by the contractor and transport in any loan provided by group enterprises.

6. Contingencies

Joint taxation

With BaseCamp Student Real Estate ApS, company reg. no 36 93 40 85 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 total tax payable under the joint taxation scheme totals DKK 0.

The liability relating to obligations in connection with withholding tax on dividends, interest, and royalties represents an estimated maximum of DKK 0.

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