

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

Annual report
2021

Company reg. no. 38 70 36 09

The annual report was submitted and approved by the general meeting on the 30 June 2022.

Monique Jaqqam
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 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.

Copenhagen, 30 June 2022

Executive board

Monique Jaqqam

Armon Nathan Mordecia Bar-Tur David Justin Irving Hamer

Kristina Olsen

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 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

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, 30 June 2022

Martinsen

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

Leif Tomasson

State Authorised Public Accountant
mne25346

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 5th financial year
Executive board	Monique Jaqqam Armon Nathan Mordecia Bar-Tur David Justin Irving Hamer Kristina Olsen
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 3.324.000 against DKK -2.677.000 last year. Income or loss from ordinary activities after tax totals DKK 80.176.000 against DKK 54.165.000 last year. Management considers the net profit or loss for the year satisfactory.

Events subsequent to the financial year

On May 29, 2022, BaseCamp Group Ltd., a direct shareholder of the mothercompany, and its sister company BaseCamp Student Operations ApS, entered into a sales and purchase agreement regarding 80% of the shares in BaseCamp Student Real Estate ApS to Xior Student Housing NV. Closing of the transaction and completion of the sale is expected for the end of September / early October and depends on the approval of Xior's shareholders and the Belgian Financial Services and Markets Authority (FSMA).

As part of the transaction all debt will be refinanced.

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, other operating income, and external costs.

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

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 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.

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.

Accounting policies

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

Investment property

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

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.

Accounting policies

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 "Income tax receivable" or "Income tax payable".

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.

Accounting policies

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.

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>2021</u>	<u>2020</u>
Gross profit	3.324.145	-2.677.246
Value adjustment of investment property	131.561.348	77.386.095
Other operating expenses	<u>-396.422</u>	<u>0</u>
Operating profit	134.489.071	74.708.849
Other financial income	0	26
2 Other financial expenses	<u>-18.463.406</u>	<u>-5.033.478</u>
Pre-tax net profit or loss	116.025.665	69.675.397
Tax on net profit or loss for the year	<u>-35.850.000</u>	<u>-15.510.000</u>
Net profit or loss for the year	<u>80.175.665</u>	<u>54.165.397</u>
Proposed appropriation of net profit:		
Transferred to retained earnings	<u>80.175.665</u>	<u>54.165.397</u>
Total allocations and transfers	<u>80.175.665</u>	<u>54.165.397</u>

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2021</u>	<u>2020</u>
Non-current assets		
3 Investment property	602.800.001	470.000.000
Total property, plant, and equipment	<u>602.800.001</u>	<u>470.000.000</u>
4 Other receivables	642.857	648.092
Total investments	<u>642.857</u>	<u>648.092</u>
Total non-current assets	<u>603.442.858</u>	<u>470.648.092</u>
Current assets		
Trade receivables	400.507	221.436
Other debtors	0	3.516.884
Prepayments	643.038	416.885
Total receivables	<u>1.043.545</u>	<u>4.155.205</u>
Cash and cash equivalents	<u>13.808.907</u>	<u>1.853.792</u>
Total current assets	<u>14.852.452</u>	<u>6.008.997</u>
Total assets	<u>618.295.310</u>	<u>476.657.089</u>

Balance sheet at 31 December

All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
Equity and liabilities		
Equity		
Contributed capital	2.000.000	2.000.000
Results brought forward	179.147.378	98.971.713
Total equity	181.147.378	100.971.713
Provisions		
Provisions for deferred tax	51.360.000	15.510.000
Total provisions	51.360.000	15.510.000
Long term liabilities other than provisions		
5 Other payables	336.437.623	324.782.754
Total long term liabilities other than provisions	336.437.623	324.782.754
Current portion of long term liabilities	4.790.519	4.790.519
Trade creditors	1.787.681	856.852
Payables to subsidiaries	29.937.654	26.031.098
Other payables	11.811.120	3.228.189
Prepayments	1.023.335	485.964
Total short term liabilities other than provisions	49.350.309	35.392.622
Total liabilities other than provisions	385.787.932	360.175.376
Total equity and liabilities	618.295.310	476.657.089
1 Subsequent events		
6 Charges and security		
7 Contingencies		

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	44.806.316	46.806.316
Profit or loss for the year brought forward	0	54.165.397	54.165.397
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
	<u>2.000.000</u>	<u>179.147.378</u>	<u>181.147.378</u>

Notes

All amounts in DKK.

	<u>2021</u>	<u>2020</u>
1. Subsequent events		
On May 29, 2022, BaseCamp Group Ltd., a shareholder of the mothercompany, and its sister company BaseCamp Student Operations ApS, entered into a sales and purchase agreement regarding 80% of the shares in BaseCamp Student Real Estate ApS to Xior Student Housing NV. Closing of the transaction and completion of the sale is expected for the end of September / early October and depends on the approval of Xior's shareholders and the Belgian Financial Services and Markets Authority (FSMA).		
As part of the transaction all debt will be refinanced.		
2. Other financial expenses		
Financial costs, group enterprises	3.906.556	979.303
Other financial costs	14.556.850	4.054.175
	<u>18.463.406</u>	<u>5.033.478</u>
3. Investment property		
Cost 1 January 2021	392.613.905	296.292.029
Additions during the year	1.238.653	96.321.876
Cost 31 December 2021	<u>393.852.558</u>	<u>392.613.905</u>
Fair value adjustment 1 January 2021	77.386.096	0
Adjust of the year to fair value	131.561.347	77.386.095
Fair value adjustment 31 December 2021	<u>208.947.443</u>	<u>77.386.095</u>
Carrying amount, 31 December 2021	<u>602.800.001</u>	<u>470.000.000</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 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.

Notes

All amounts in DKK.

3. Investment property (continued)

The cash-flow includes an estimated vacancy in 2022 of 7 % and from 2023 a frictional vacancy of 5 %.

The property, which is located in Kgs. Lyngby, a very popular Copenhagen Suburb, is mainly used as residential housing totalling in 10.900 sqm and a parking cellar.

A Discount Rate of 3.25 % with an Exit Capitalisation Rate of 2.75 %, which is 1.00 % less than last year.

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

	<u>31/12 2021</u>	<u>31/12 2020</u>
4. Other receivables		
Guarantee, Lyngby Kommune	<u>642.857</u>	<u>648.092</u>
	<u>642.857</u>	<u>648.092</u>
5. Other payables		
Total other payables	341.228.142	329.573.273
Share of amount due within 1 year	<u>-4.790.519</u>	<u>-4.790.519</u>
Total other payables	<u>336.437.623</u>	<u>324.782.754</u>
Share of liabilities due after 5 years	<u>14.371.557</u>	<u>19.162.076</u>

6. 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 602. The balance of the loan registered as other payables is MDKK 303, at 31 December 2021. 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.

Notes

All amounts in DKK.

7. Contingencies

Joint taxation

BaseCamp Student Real Estate ApS, company reg. no 36 93 40 85 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

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

The total tax payable under the joint taxation amounts to DKK 0 thousand.

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

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

The company is joint VAT registered with BaseCamp Student Real Estate ApS and therefore is jointly and severally liable with the other jointly VAT registered companies for the total VAT.