

Finsensvej 15 ApS

c/o SF-M ApS
Kalvebod Brygge 39, 4.
1560 København V
Denmark

CVR no. 39 52 85 92

Annual report 2021

The annual report was presented and approved at
the Company's annual general meeting on

27 May 2022

Thomas Esben Khan
Chairman

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Finsensvej 15 ApS
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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Finsensvej 15 ApS for the financial year 1 January – 31 December 2021.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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 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, 27 May 2022
Executive Board:

Thomas Esben Khan

Board of Directors:

Pavlos Nearchou

Richard John Gale

Henrik Skriver

Independent auditor's report

To the shareholder of Finsensvej 15 ApS

Opinion

We have audited the financial statements of Finsensvej 15 ApS for the financial year 1 January – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position 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 responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company 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.

Independent auditor's report

- 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 27 May 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Henrik Y. Jensen
State Authorised
Public Accountant
mne35442

Finsensvej 15 ApS
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Management's review

Company details

Finsensvej 15 ApS
c/o SF-M ApS
Kalvebod Brygge 39, 4.
1560 København V
Denmark

CVR no.:	39 52 85 92
Established:	1 May 2018
Registered office:	København
Financial year:	1 January – 31 December

Board of Directors

Pavlos Nearchou
Richard John Gale
Henrik Skriver

Executive Board

Thomas Esben Khan

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The object of the Company is to acquire, operate and let out real estate.

Development in activities and financial position

The Company's income statement for 2021 shows a profit of DKK 97,711 thousand as against DKK -2,756 thousand in 2020. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 137,607 thousand as against DKK 39,896 thousand at 31 December 2020.

The completion and revaluation of the investment property has had a significant impact on the profit for the year.

The results for the year are considered to be in accordance with expectations.

Events after the balance sheet date

No events have occurred after the balance sheet date that materially affect the Company's financial position.

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2021	2020
Gross loss		<u>-2,452</u>	<u>-1,935</u>
Loss before financial income and expenses		<u>-2,452</u>	<u>-1,935</u>
Fair value adjustment of investment properties		132,948	1,018
Other financial expenses	3	<u>-4,854</u>	<u>-2,600</u>
Profit/loss before tax		125,642	-3,517
Tax on profit/loss for the year	4	<u>-27,931</u>	<u>761</u>
Profit/loss for the year		<u>97,711</u>	<u>-2,756</u>
Proposed profit appropriation/distribution of loss			
Retained earnings		<u>97,711</u>	<u>-2,756</u>
		<u>97,711</u>	<u>-2,756</u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
ASSETS			
Fixed assets			
Property, plant and equipment			
	5		
Investment properties		438,669	0
Investment properties under development		0	232,000
		<u>438,669</u>	<u>232,000</u>
Total fixed assets		<u>438,669</u>	<u>232,000</u>
Current assets			
Receivables			
Other receivables		19	0
Prepayments		<u>162</u>	<u>0</u>
		181	0
Cash at bank and in hand		<u>1,368</u>	<u>82</u>
Total current assets		<u>1,549</u>	<u>82</u>
TOTAL ASSETS		<u><u>440,218</u></u>	<u><u>232,082</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2021	31/12 2020
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50	50
Retained earnings		137,557	39,846
Total equity		137,607	39,896
Provisions			
Provisions for deferred tax		37,842	9,132
Total provisions		37,842	9,132
Liabilities other than provisions			
Current liabilities other than provisions			
Debt to credit institutions	6	190,061	115,285
Trade payables		1,019	0
Payables to group entities		70,745	67,628
Other payables		0	141
Deferred income		1,050	0
Deposits		1,894	0
		264,769	183,054
Total liabilities other than provisions		264,769	183,054
TOTAL EQUITY AND LIABILITIES		440,218	232,082

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 January 2021	50	39,846	39,896
Transferred over the profit appropriation	0	97,711	97,711
Equity at 31 December 2021	50	137,557	137,607

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Finsensvej 15 ApS for 2021 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross loss

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross loss.

Revenue

Revenue, comprising rental income, is recognized in the period to which it relates.

Other external costs

Other external costs comprise costs incurred during the year as a result of the rental of the Company's property and administration.

Fair value adjustment of investment properties

Fair value adjustment of investment properties comprises the year's changes in the fair value of investment property.

Financial expenses

Financial cost comprise interest expenses and other financial costs.

Tax on result for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Investment properties

Investment properties comprises properties that is held to earn rentals, held for capital appreciation or both. Initially, investment properties are measured at cost including purchase price and directly related costs. The carrying amount also includes costs for improvements if the recognition criteria are met.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Subsequent to initial recognition, investment properties are stated at fair value. Gains and losses arising from changes in the fair values are included in the income statement in the year which they arise.

The properties are valued using the income capitalization method where a property's fair value is estimated based on the normalized net operating income generated by the property, which is divided by the capitalization rate. The calculated value is adjusted with expected future change in rental value, voids, capital expenses and other special circumstances. The valuation model applied is in accordance with the International Valuation Standards. The valuation is consistent with the principles in IFRS 13.

Investment properties are not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognized in the income statement as other operating income or other operating costs, respectively.

Investment properties under development

Investment properties under development comprises properties that is held to earn rentals, held for capital appreciation or both.

Initially, investment properties under development is measured at cost including purchase price and directly related costs. The carrying amount also includes costs for improvements if the recognition criteria are met.

Subsequent to initial recognition, investment property under development is stated at fair value. Gains and losses arising from changes in the fair values are included in the income statement in the year in which they arise.

The property is valued using the income capitalisation method where a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate. The calculated value is adjusted with expected future change in rental value, voids, capital expenses and other special circumstances.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprises cash at bank.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost, which usually corresponds to nominal value

Deferred income

Deferred income comprises payments received regarding income in subsequent years.

Financial statements 1 January – 31 December

Notes

DKK'000	<u>2021</u>	<u>2020</u>
2 Average number of full-time employees		
Average number of full-time employees	0	0
	<u>0</u>	<u>0</u>
3 Other financial expenses		
Interest expense to group entities	2,767	2,521
Other financial costs	2,087	79
	<u>4,854</u>	<u>2,600</u>
4 Tax on profit/loss for the year		
Deferred tax for the year	27,151	-761
Adjustment of deferred tax concerning previous years	780	0
	<u>27,931</u>	<u>-761</u>
5 Property, plant and equipment		
DKK'000	Investment properties under development	Investment properties
Cost at 1 January 2021	184,872	0
Additions for the year	73,721	0
Transfers for the year	-258,593	258,593
Cost at 31 December 2021	<u>0</u>	<u>258,593</u>
Revaluations at 1 January 2021	47,128	0
Revaluations for the year	0	132,948
Transfers for the year	-47,128	47,128
Revaluations at 31 December 2021	<u>0</u>	<u>180,076</u>
Carrying amount at 31 December 2021	<u>0</u>	<u>438,669</u>
Portion relating to recognised interest	<u>0</u>	<u>3,277</u>

Key assumptions:

The property has been completed in 2021 and is located in Copenhagen and has been refurbished to 188 student housings, a café and a common area, totaling, 7,689 sqm. The fair value of investment properties in the annual report is assessed by Management using an income capitalization method. An individually determined Equivalent Yield of 3.19% has been applied in the fair value assessment at 31 December 2021. Changes in estimated required rate of return for investment properties will affect the value of investment properties recognized in the balance sheet as well as value adjustments carried in the income statement.

Financial statements 1 January – 31 December

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Sensitivity analysis:

An increase of the exit yield by 0.25 percentage points would reduce the property value by DKK 28.8 million. A decrease in the exit yield by 0.25 percentage points would increase the property value by DKK 41.0 million at the balance sheet date.

6 Non-current liabilities other than provisions

DKK'000	Total debt at 31/12 2021	Repayment, first year	Outstanding debt after five years
Debt to credit institutions	190,061	0	0
	<u>190,061</u>	<u>0</u>	<u>0</u>

Debt to credit institutions will be refinanced at 4 April 2022.

7 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company has guarantees of DKK 1,998 thousand.

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.

8 Mortgages and collateral

Investment properties under development with a carrying amount of DKK 439 million at 31 December 2021 have been provided as collateral for debt to credit institutions of DKK 190 million.

9 Related party disclosures

Finsensvej 15 ApS related parties comprise the following:

Control

Finsensvej 15 ApS is part of the consolidated financial statements of Blaekhus Luxembourg Holdings SCSp, Ave de la Gare 42-44, 1610 Luxembourg, which is the smallest group in which the Company is included as a subsidiary

The consolidated financial statements of Blaekhus Luxembourg Holdings SCSp can be obtained by contacting the Company at the address above