

DK Bella 11 K/S

C/O Harbour House
Sundkrogsgade 21,
2100 Copenhagen

CVR No. 40541624

Annual Report 2022

4. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 20 June 2023

DocuSigned by:

Pilvi Peltomäki

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Pilvi Peltomäki

Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of DK Bella 11 K/S for the financial year 1 January 2022 - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

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

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 20 June 2023

Executive Board

On behalf of the General Partner:
DK Bella ApS

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FREDRIK SOEDERLUND
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Holger Zilleken
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Kimmo Nieminen
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Independent Auditor's Report

To the shareholders of DK Bella 11 K/S

Opinion

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 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DK Bella 11 K/S for the financial year 1 January 2022 - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes ("financial statements").

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility 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 (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement 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.

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.

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, in our view, 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 in Management's Review.

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 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.

Independent Auditor's Report

The auditor's responsibility 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.


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:

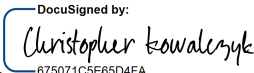
- * Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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.

Hellerup, 20 June 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231


Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198


Christopher Kowalczyk
State Authorised Public Accountant
mne47863

DK Bella 11 K/S

Company details

Company

DK Bella 11 K/S
C/O Harbour House
Sundkrogsgade 21,
2100 Copenhagen
CVR No.: 40541624
Date of formation: 22 May 2019
Registered office: København

Executive Board

On behalf of the General Partner: DK Bella ApS

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
CVR-no.: 33771231

Management's Review

The Company's principal activities

The Company's principal activities are to own, develop, lease and manage real estate, directly and indirectly, and related business.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK 37.138.095 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 531.665.278 and an equity of DKK 317.985.031.

The valuation of the company's investment property per. December 31, 2022 is based on presumptions that may be different from those that management has at the time of approval of the annual report.

Expected development of the company, including specific prerequisites and uncertainties

It is management's assessment that the current geopolitical situation and increase for energy, raw materials, interest rates and inflation will have limited effect on the Company's activities.

Significant events occurring after the end of the financial year

After the end of the financial year, no further events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The annual report of DK Bella 11 K/S for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

Translation policies

Transactions in foreign currencies are translated into DKK at the exchange rate prevailing at the date of transaction. Monetary assets and liabilities in foreign currencies are translated into DKK based on the exchange rates prevailing at the balance sheet day. Realised and unrealised foreign exchange gains and losses are included in the Income Statement under Financial Income and Expenses.

General information

Basis of recognition and measurement

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit/loss

Gross profit is calculated in accordance to §32 of the Danish Financial Statement Act as a combination of net revenue, other operating income, expenses for raw materials and consumables and other external expenses.

Revenue

Revenues includes rental income. Revenue is recognised exclusive VAT and net of sales discounts.

Accounting Policies

Other operating income

Other operating income comprises items of a secondary nature to the activities of the enterprises, including profits on sale of intangible and tangible assets.

Other external expenses

Other external costs include costs for administration, property cost, loss of debtors etc. and write-downs of receivables recognized under current assets.

Property costs include costs incurred in operating the company's property portfolio in fiscal year, including repair and maintenance costs, property taxes and electricity, water and heat that is not charged directly to the tenants.

Fair value adjustment of investment assets

Adjustments of investment properties measured at fair value are recognised as a separate item in the Income Statement.

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year.

Tax expenses

The company is subject to the rules regarding tax-transparent companies.

Balance sheet

Investment property

Investment properties comprises investments in land and buildings for purposes of gaining a return on the invested capital in the form of regular operating income and/or capital gains on resale.

On acquisition, investment properties is measured at cost, comprising the purchase price, including purchase costs.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The fair value of investment properties has been assessed by an independent assessor firm 31 December 2022.

The fair value is determined using a DCF model, where the expected future cash flows are discounted to the present value. The calculations are based on the property's budget for the coming years.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accounting Policies

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Other liabilities, comprising deposits, trade payables and other payable, are measured at amortised cost, which usually corresponds to the nominal value.

Accruals and deferred income entered as liabilities

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

The Company is transparent in taxation context and therefore no local taxation of income is accounted for.

Income Statement

	Note	2022 kr.	2021 kr.
Gross profit		14.791.777	16.078.407
Employee costs	1	0	0
Value adjustments of investment property		24.700.000	43.700.000
Profit from ordinary operating activities		39.491.777	59.778.407
Finance expenses	2	-2.353.682	-2.488.523
Profit from ordinary activities before tax		37.138.095	57.289.884
Net profit/loss for the year		37.138.095	57.289.884
Proposed distribution of results			
Proposed dividend recognised in equity		9.675.000	0
Paid extraordinary dividend recognised in equity		34.600.000	0
Retained earnings		-7.136.905	57.289.884
Distribution of profit		37.138.095	57.289.884

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Assets			
Investment property	3	527.100.000	502.400.000
Property, plant and equipment		527.100.000	502.400.000
Fixed assets		527.100.000	502.400.000
Trade receivables		595.194	393.591
Other receivables		148.253	163.773
Receivables		743.447	557.364
Cash and cash equivalents		3.821.831	25.656.875
Current assets		4.565.278	26.214.239
Assets		531.665.278	528.614.239

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Contributed capital		244.095.259	244.095.259
Retained earnings		64.214.772	77.351.677
Proposed dividend recognised in equity		9.675.000	0
Proposed extraordinary dividend recognised in equity		0	-6.000.000
Equity		317.985.031	315.446.936
Mortgage debt		203.955.102	203.678.938
Deposits, liabilities other than provisions		7.668.274	7.575.929
Long-term liabilities other than provisions	4	211.623.376	211.254.867
Short-term part of long-term liabilities		0	27.803
Trade payables		61.550	601.291
Intercompany payables		126.635	60.641
Other payables		1.641.094	1.004.145
Deferred income, liabilities		227.592	218.556
Short-term debt		2.056.871	1.912.436
Debt		213.680.247	213.167.303
Liabilities and equity		531.665.278	528.614.239
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Statement of changes in Equity

	Contributed capital	Retained earnings	Dividend recognised in equity	Total
Equity 1 January 2022	244.095.259	77.351.677	-6.000.000	315.446.936
Proposed dividend	0	-44.275.000	44.275.000	0
Other adjustments of equity	0	-6.000.000	6.000.000	0
Profit (loss)	0	37.138.095	0	37.138.095
Extraordinary dividend paid	0	0	-34.600.000	-34.600.000
Equity 31 December 2022	244.095.259	64.214.772	9.675.000	317.985.031

Notes

	2022	2021
1. Employee costs		
Average number of employees	0	0
	2022	2021
	kr.	kr.
2. Finance costs		
Interest, associates	23.966	18.383
Amortization of financial costs on loan	276.164	272.910
Interest bank	26	23.364
Interest SEB	2.053.526	2.173.785
Other	0	81
	2.353.682	2.488.523
3. Investment property		
Cost at the beginning of the year	447.992.750	447.992.750
Cost at the end of the year	447.992.750	447.992.750
Fair value adjustments at the beginning of the year	54.407.250	10.707.250
Adjustments for the year	24.700.000	43.700.000
Fair value adjustments at the end of the year	79.107.250	54.407.250
Carrying amount at the end of the year	527.100.000	502.400.000

Assumptions underlying the determination of fair value of investment properties:

Operating expenses total 14,1 % of rentals.

Administrative expenses total 1,7 % of rentals.

Maintenance costs total 2,3 % of rentals

Rate of return 3,49 %

The Company's investment property are 100 % residential (multi-family house).

The investment property are located in the area of Copenhagen.

Sensitivity in determination of fair value of investment properties:

An individually determined required rate of return of 3,49 % has been applied in the market value assessment at 31 December 2022.

Changes in the estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in average required rate of return	-0,25 %	Base	0,25 %
Rate of return	3,24	3,49	3,74
Fair value	567.771.296	527.100.000	491.866.043
Change in fair value	40.671.296	0	-35.233.957

Notes**4. Long-term liabilities other than provisions**

	Due within 1 year kr.	Due within 2-5 year kr.	Due after 5 years kr.
Mortgage debt	0	203.955.102	0
Deposits	0	0	7.668.274
	<u>0</u>	<u>203.955.102</u>	<u>7.668.274</u>

5. Unusual circumstances

It is management's assessment that the current geopolitical situation and increase for energy, raw materials, interest rates and inflation will have limited effect on the Company's activities.

6. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

7. Collaterals and assets pledges as security

The company has a joint loan with DK Bella 12 K/S. The properties in DK Bella 11 K/S and DK Bella 12 K/S are secured by the joint loan.

Mortgage deeds registered to the mortgagor totalling TDKK 312.072, providing security on investment properties at a joint total carrying amount of TDKK 791.100, of which the investment property in DK Bella 11 K/S constitutes TDKK 527.100.

8. Related parties

Related parties with controlling interest:
AXA Investment Managers Deutschland GmbH