

DK Bella 11 K/S
C/O Intertrust (Denmark) ApS
Sundkrogsgade 21, DK-2100 Copenhagen
CVR no. 40 54 16 24

Annual report for 2023

Adopted at the annual general meeting on 16 May 2024

DocuSigned by:

Pilvi Peltomäki

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Pilvi Peltomäki
chairman

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Statement by management on the annual report

The management has today discussed and approved the annual report of DK Bella 11 K/S for the financial year 1 January - 31 December 2023.

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

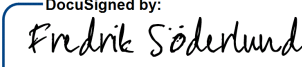
In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.


In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 16 May 2024

On behalf of the general partner: DK Bella ApS

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Leif Fredrik Ingemar Söderlund
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Holger Leonard Zilleken
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Morten Wordenskjold Hansen
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Independent Auditor's Report

To the limited partner 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 2023, and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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 - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

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.

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.

Independent Auditor's Report

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.

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.

Independent Auditor's Report

- 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, 16 May 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

DocuSigned by:


Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
MNE no. mne32198

DocuSigned by:


Christopher Kowalczyk
State Authorised Public Accountant
MNE no. mne47863

Company details

The company

DK Bella 11 K/S
Sundkrogsgade 21
C/O Intertrust (Denmark) ApS
DK-2100 Copenhagen

CVR no.: 40 54 16 24

Reporting period: 1 January - 31 December 2023

Domicile: Copenhagen

On behalf of the general partner: DK Bella ApS

Leif Fredrik Ingemar Söderlund
Holger Leonhard Zilleken
Morten Wordenskjold Hansen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's review

Business review

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

Recognition and measurement uncertainties

As the company's purpose is to own properties, the company's business processes and the valuation of investment property in the company's subsidiaries is affected by changes in the property market, including the general level of interest rates and economic conditions.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 22.464.807, and the balance sheet at 31 December 2023 shows equity of DKK 285.845.223.

The valuation of the company's investment property per 31 December 2023 is based on presumptions that may be different from those that management has at the time of approval of the annual report.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		15.835.160	14.791.777
Fair value adjustments of investment properties		-35.900.000	24.700.000
Profit/loss before net financials		-20.064.840	39.491.777
Financial income		24.936	0
Financial expenses	2	-2.424.903	-2.353.682
Profit/loss for the year		<u>-22.464.807</u>	<u>37.138.095</u>
Distribution of profit			
Proposed dividend for the year		0	9.675.000
Proposed dividend for the year		11.000.000	0
Extraordinary dividend for the year		0	34.600.000
Retained earnings		-33.464.807	-7.136.905
		<u>-22.464.807</u>	<u>37.138.095</u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Investment properties	3	<u>491.200.000</u>	<u>527.100.000</u>
Tangible assets		<u>491.200.000</u>	<u>527.100.000</u>
Total non-current assets		<u>491.200.000</u>	<u>527.100.000</u>
Trade receivables		316.399	595.194
Other receivables		0	148.253
Prepayments		<u>39.339</u>	<u>0</u>
Receivables		<u>355.738</u>	<u>743.447</u>
Cash at bank and in hand		<u>8.744.097</u>	<u>3.821.831</u>
Total current assets		<u>9.099.835</u>	<u>4.565.278</u>
Total assets		<u><u>500.299.835</u></u>	<u><u>531.665.278</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Contributed capital		244.095.259	244.095.259
Retained earnings		30.749.964	64.214.772
Proposed dividend for the year		<u>11.000.000</u>	<u>9.675.000</u>
Equity		<u>285.845.223</u>	<u>317.985.031</u>
Mortgage loans		204.498.006	203.955.102
Deposits		<u>6.125.888</u>	<u>7.668.274</u>
Total non-current liabilities	4	<u>210.623.894</u>	<u>211.623.376</u>
Trade payables		1.487.671	61.550
Payables to group entities		157.551	126.635
Other payables		195.186	1.641.094
Deferred income		<u>1.990.310</u>	<u>227.592</u>
Total current liabilities		<u>3.830.718</u>	<u>2.056.871</u>
Total liabilities		<u>214.454.612</u>	<u>213.680.247</u>
Total equity and liabilities		<u>500.299.835</u>	<u>531.665.278</u>
Staff expenses	1		
Mortgages and collateral	5		

Statement of changes in equity

	Contributed ca- pital	Retained ear- nings	Proposed divi- dend for the year	Total
Equity at the beginning	244.095.259	64.214.771	9.675.000	317.985.030
Ordinary dividend paid	0	0	-9.675.000	-9.675.000
Net profit/loss for the year	0	-22.464.807	0	-22.464.807
Proposed dividend for the year	0	-11.000.000	11.000.000	0
Equity at the end	244.095.259	30.749.964	11.000.000	285.845.223

Notes

	<u>2023</u>	<u>2022</u>
1 Staff expenses		
Number of fulltime employees on average	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
2 Financial expenses		
Other financial costs	2.424.676	2.329.716
Exchange loss	<u>227</u>	<u>23.966</u>
	<u>2.424.903</u>	<u>2.353.682</u>
3 Investment properties		<u>Investment properties</u>
Cost at the beginning		<u>447.992.750</u>
Cost at the end		<u>447.992.750</u>
Revaluations at the beginning		79.107.250
Revaluations for the year		<u>-35.900.000</u>
Revaluations at the end		<u>43.207.250</u>
Carrying amount at the end		<u>491.200.000</u>

Notes

3 Investment properties (continued)

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods (DCF's calculations) based on management's expectations for future cash flow, return requirements etc.

The fair value of investment properties has been calculated based on the following assumptions:

Operation expenses total 14,1% of rentals

Administrative expenses total 1,7% of rentals

Maintenance costs total 2,1% of rentals

Rate of return 3,67%

Rate of return is affected by the current vacancy. If the DCF calculation is adjusted for expected marked vacancy, a rate of return of 4% should be used. The Valuation would be unchanged.

The company's investment property is 100% residential (multi-family house)

The investment property is located in the area of Copenhagen

Sensitivity in determination of fair value of investment properties

An individually determined required rate of return of 3,67% has been applied in the marked value assessment at 31 December 2023.

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.

	-0,25%	Base	0,25 %
	DKK	DKK	DKK
Changes in average rate of return			
Rate of return	3,42	3,67	3,92
Fair value	527.106.433	491.200.000	459.873.469
Change in fair value	35.906.433	0	-31.326.531

Notes

4 Long term debt

	Debt at the beginning	Debt at the end	Instalment next year	Debt outstan- ding after 5 years
Mortgage loans	203.955.102	204.498.006	0	0
Deposits	7.668.274	6.125.888	0	6.125.888
	<u>211.623.376</u>	<u>210.623.894</u>	<u>0</u>	<u>6.125.888</u>

5 Mortgages and collateral

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 loans registered to the mortgagor totalling MDKK 313, providing security on investment properties at a joint total carrying amount of MDKK 735 of which the investment property in DK Bella 11 K/S constitutes MDKK 491.

Accounting policies

The annual report of DK Bella 11 K/S for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow 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 will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, other operating income and other external expenses.

Revenue

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

Accounting policies

Other operating income

Other operation 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 recognised 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.

Value adjustments of investment properties

Adjustments of investment properties are 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 at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is not independently liable to tax and consequently tax has not been recognised.

Balance sheet

Investment properties

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.

Accounting policies

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 2023.

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 amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Accounting policies

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.