

DK Bella 12 K/S

C/O 30136 Newsec PAM Denmark A/S
Lyngby Hovedgade 4,
2800 Kongens Lyngby

CVR No. 40541667

Annual Report 22.05.2019 - 31.12.2019

1. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 11 June 2020



Ditte Heltborg Kjærgaard
Chairman

Contents

Management's Statement	3
Independent Auditors' Report	4
Company Information	6
Management's Review	7
Accounting Policies	8
Income Statement	11
Balance Sheet	12
Statement of changes in Equity	14
Notes	15

DK Bella 12 K/S

Management's Statement

Today, Management has considered and adopted the Annual Report of DK Bella 12 K/S for the financial year 22 May 2019 - 31 December 2019.

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 2019 and of the results of the Company's operations for the financial year 22 May 2019 - 31 December 2019.

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.

Kgs. Lyngby, 11 June 2020

Executive Board



Mikael Andersson
CEO



Leif Fredrik Ingemar Söderlund
CEO



Ditte Heltborg Kjærgaard
CEO

Independent Auditors' Report

To the shareholders of DK Bella 12 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 2019, and of the results of the Company's operations for the financial year 22 May 2019 - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of DK Bella 12 K/S for the financial year 22 May 2019 - 31 December 2019, income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis of 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 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

Independent Auditors' Report

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, 11 June 2020

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231



Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198



Martin Enderberg Lassen
State Authorised Public Accountant
mne40044

DK Bella 12 K/S

Company details

Company

DK Bella 12 K/S
C/O 30136 Newsec PAM Denmark A/S
Lyngby Hovedgade 4,
2800 Kongens Lyngby
CVR No.: 40541667
Date of formation: 22 May 2019
Registered office: Lyngby-Tårnbæk

Executive Board

Mikael Andersson , CEO
Leif Fredrik Ingemar Söderlund, CEO
Ditte Heltborg Kjærgaard, CEO

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 financial matters

The Company's Income Statement of the financial year 22 May 2019 - 31 December 2019 shows a profit of DKK 2,654,280 and the Balance Sheet at 31 December 2019 a balance sheet total of DKK 250,078,359 and an equity of DKK 136,448,381.

Post financial year events

The Company's expectations for the future are affected by the COVID-19 outbreak, which escalated subsequent to the year end. While it is possible to identify the real estate sectors most exposed over the short term to COVID-19, there is no clear way to identify how significant the downside risks will be and therefore what the ultimate impact on real estate valuations will be. Property incomes during the disrupted period maybe impacted by the COVID-19 situation but until we have clarity on the ultimate severity of the virus, the value impact will remain highly uncertain. Transaction and leasing activity is likely to be impaired due to the inability to enact site visits/due diligence as may lending activity which will further complicate valuation clarity. We understand that valuers will likely add a disclaimer to their valuations at end of Q1 2020 regarding impact of COVID-19 which is not yet, if any, taken into account in their valuations. Management refers to note 4 of the financial statement.

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 12 K/S for 22 May 2019 - 31 December 2019 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.

As the financial year 22 May 2019 - 31 December 2019 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous 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 amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, 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 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 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 Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income Statement

Revenue

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

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.

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

Property, plant and equipment

Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life. The depreciation period and the residual value are determined at the date of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual components differ.

Depreciation is calculated using the straight-line method over the following estimated useful lives of the individual assets and their residual values:

Properties:	50 years
Installations:	6,6 years

Gains or losses arising from the disposal of property, plant and equipment are determined as the difference between the selling price less selling costs and the carrying amounts at the time of sale. Gains or losses are recognised in the income statement as other operating income or other operating expense.

Receivables

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

Accounting Policies

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

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.

Prepayments

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.

DK Bella 12 K/S

Income Statement

	Note	22.05.2019 - 31.12.2019 kr.
Revenue		6.316.352
Other operating income		2.700
Other external expenses		<u>-437.991</u>
Gross result		<u>5.881.061</u>
Depreciation of Property, plant and equipment		<u>-1.250.049</u>
Profit from ordinary operating activities		<u>4.631.012</u>
Finance expenses	1	<u>-1.976.732</u>
Profit from ordinary activities before tax		<u>2.654.280</u>
Net profit/loss for the year		<u>2.654.280</u>
Proposed distribution of results		
Retained earnings		<u>2.654.280</u>
Distribution of profit		<u>2.654.280</u>

DK Bella 12 K/S

Balance Sheet as of 31 December

	Note	2019 kr.
Assets		
Investment property	2	<u>242.351.061</u>
Property, plant and equipment		<u>242.351.061</u>
Fixed assets		<u>242.351.061</u>
Short-term receivables from group enterprises		266.547
Other short-term receivables		<u>165.953</u>
Receivables		<u>432.500</u>
Cash and cash equivalents		<u>7.294.798</u>
Current assets		<u>7.727.298</u>
Assets		<u>250.078.359</u>

Balance Sheet as of 31 December

	Note	2019 kr.
Liabilities and equity		
Contributed capital		133.794.101
Retained earnings		2.654.280
Equity		<u>136.448.381</u>
Payables to group enterprises		106.245.000
Long-term liabilities other than provisions	3	<u>106.245.000</u>
Payables to group enterprises		123.425
Other payables		3.368.085
Prepayments		1.018.367
Deposits, liabilities other than provisions		2.875.101
Short-term debt		<u>7.384.978</u>
Debt		<u>113.629.978</u>
Liabilities and equity		<u>250.078.359</u>
Unusual circumstances	4	
Contingent liabilities	5	
Related parties	6	

DK Bella 12 K/S

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 22 May 2019	133.794.101	0	133.794.101
Profit (loss)	0	2.654.280	2.654.280
Equity 31 December 2019	<u>133.794.101</u>	<u>2.654.280</u>	<u>136.448.381</u>

Notes

	22.05.2019 - 31.12.2019 kr.
1. Finance expenses	
premium risk interest, group	48.756
Interest, group enterprises	1.910.798
Interest bank	16.804
Interest, suppliers	374
	<u>1.976.732</u>
2. Investment property	
Cost at the beginning of the year	0
Addition during the year	243.601.110
Cost at the end of the year	<u>243.601.110</u>
Depreciations for the year	<u>-1.250.049</u>
Impairment losses and depreciations at the end of the year	<u>-1.250.049</u>
Carrying amount at the end of the year	<u>242.351.061</u>

3. Long-term liabilities

	Due after 1 year kr.	Due within 1 year kr.	Due after 5 years kr.
Payables to group enterprises	0	0	106.245.000
	<u>0</u>	<u>0</u>	<u>106.245.000</u>

4. Unusual circumstances

Subsequent to year end the outbreak of COVID-19 has been declared a Pandemic and is impacting the global economy. While it is possible to identify the real estate sectors most exposed over the short term to COVID-19, there is no clear way to identify how significant the downside risks will be and therefore what the ultimate impact on real estate valuations will be. Property incomes during the disrupted period maybe impacted by the COVID-19 situation but until there is clarity on the ultimate severity of the virus the value impact will remain highly uncertain. Transaction and leasing activity is likely to be impaired due to the inability to enact site visits/due diligence as may lending activity, which will further complicate valuation clarity. It is understood that valuers will likely add a disclaimer to their valuations at end of Q1 2020 regarding the impact of COVID-19 which is not yet, if any, taken into account in their valuations.

Management considers the implications of COVID-19 a subsequent event occurred after the balance sheet date (31 December 2019), which is therefore a non-adjusting event to the Company.

It is management's assessment that the current situation in regards to COVID-19 will have limited effect on the Company's activities, as the demand for rental housing is not highly impacted by COVID-19. Therefore management's view is that the COVID-19 crisis does not have a material impact on the Company's activities in 2020.

DK Bella 12 K/S

Notes

5. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

6. Related parties

Related parties with controlling interest:

AXA Investment Managers AXA Investment Managers Deutschland GmbH Deutschland GmbH