



Vivada Denmark ApS

Palægade 2, 2.
1261 København K
CVR No. 42169552

Annual report 01.04.2022 - 31.03.2023

The Annual General Meeting adopted the annual
report on 10.10.2023

Joris Dietbert Voorhoeve
Chairman of the General Meeting

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Entity details

Entity

Vivada Denmark ApS

Palægade 2, 2.

1261 København K

Business Registration No.: 42169552

Registered office: København

Financial year: 01.04.2022 - 31.03.2023

Executive Board

Joris Dietbert Voorhoeve

Hendrik Ebe Reitsma

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Executive Board has today considered and approved the annual report of Vivada Denmark ApS for the financial year 01.04.2022 - 31.03.2023.

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 Entity's financial position at 31.03.2023 and of the results of its operations for the financial year 01.04.2022 - 31.03.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 10.10.2023

Executive Board

Joris Dietbert Voorhoeve

Hendrik Ebe Reitsma

Independent auditor's report

To the shareholders of Vivada Denmark ApS

Opinion

We have audited the financial statements of Vivada Denmark ApS for the financial year 01.04.2022 - 31.03.2023, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.03.2023 and of the results of its operations for the financial year 01.04.2022 - 31.03.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 judgement and maintain professional scepticism 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 Entity'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 Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, 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 commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary 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 commentary.

Copenhagen, 10.10.2023

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Claus Jorch Andersen

State Authorised Public Accountant

Identification No (MNE) mne33712

Frederik Juhl Hestbæk

State Authorised Public Accountant

Identification No (MNE) mne47807

Management commentary

Financial highlights

	2022/23	2021/22
	DKK'000	DKK'000
Key figures		
Gross profit/loss	(12,592)	(21,719)
Operating profit/loss	(12,592)	(21,719)
Net financials	(11,217)	(4,564)
Profit/loss for the year	(959,164)	230,272
Total assets	2,736,682	1,423,655
Equity	1,144,897	832,218
Ratios		
Equity ratio (%)	41.84	58.46

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

Equity ratio (%):

Equity * 100

Total assets

Primary activities

The activities of the company are to own capital shares in other companies and related activities.

Development in activities and finances

The income statement for 2022-23 shows a loss of DKK 959.2 million. The equity as of 31.03.2023 amounts to DKK 1,144.9 million including group contribution during the financial year amounting to DKK 1,247.7 million.

The profit for the year is affected by recognition of income from group companies amounting to DKK 937.0 million. The group companies' primary activity is to invest in investment properties.

The income from group companies is affected by fair value adjustments to investment properties and therefore subject to accounting estimates of the fair value adjustment. The total fair value adjustment in group companies amounts to a loss of DKK 280.8 million pre tax.

Profit/loss for the year in relation to expected developments

In the light of the turbulent market conditions during the financial year, the result is as expected.

Uncertainty relating to recognition and measurement

The income from group companies is affected by fair value adjustments to investment properties and therefore subject to accounting estimates of the fair value adjustments.

There is significant uncertainty connected with valuation of investments properties owned by subsidiaries at fair value, especially associated with determining the yield.

The total fair value adjustments in subsidiaries amounts to a loss of DKK 280.8 million.

Outlook

For the coming year, management expects a profit of DKK 125-130 million before tax.

Events after the balance sheet date

The Group has after the balance sheet date acquired further property companies.

Project Nero 3

In December 2022, the Fund signed the SPAs for the acquisition of the Nero 3 portfolio from FB Gruppen for an asset value of DKK 637 million. The portfolio consists of 243 residential units of an average unit size of 87 sqm located in Copenhagen area. The Nero portfolio is of finalizing the annual report under construction and is expecting of finalizing of 31.12.2025. The acquisition price of the Nero 3 portfolio is equivalent to the fair value of existing portfolios recognized as of 31.03.2023. Management has on this basis assessed that the portfolio is valued in line with existing portfolios and therefore not of risk of impairment. The financing expects to be on normal market terms for Danish Mortgage loans, both regarding interest and LTV levels.

Project Trinity 2

On the 21st of July 2022 the Fund signed the SPA for the acquisition of the Trinity 2 portfolio from J&N Gruppen for an asset value of DKK 575.8 million. The project consists of six development assets in Skovlunde, Denmark, structured as a forward purchase and delivered in three phases. The first phase delivered in May-24 consists of 76 residential and 1 supermarket, the second phase delivered in Sep-24 includes 78 residential and 7 commercial units and the last phase delivered in Jan-25 includes 30 residential and 3 commercial units.

No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2022/23

	Notes	2022/23 DKK	2021/22 DKK
Gross profit/loss		(12,591,572)	(21,718,981)
Income from investments in group enterprises		(936,982,696)	257,666,316
Other financial income	2	58,852,542	9,896,237
Other financial expenses	3	(70,069,158)	(14,460,579)
Profit/loss before tax		(960,790,884)	231,382,993
Tax on profit/loss for the year	4	1,627,050	(1,110,959)
Profit/loss for the year	5	(959,163,834)	230,272,034

Balance sheet at 31.03.2023

Assets

	Notes	2022/23 DKK	2021/22 DKK
Investments in group enterprises		1,215,949,266	1,045,702,920
Receivables from group enterprises		1,439,124,999	340,364,995
Financial assets	6	2,655,074,265	1,386,067,915
Fixed assets		2,655,074,265	1,386,067,915
Receivables from group enterprises		4,767,546	5,863,654
Other receivables		255,410	12,300,000
Joint taxation contribution receivable		34,607,732	1,065,369
Prepayments	7	207,788	0
Receivables		39,838,476	19,229,023
Cash		41,769,429	18,358,119
Current assets		81,607,905	37,587,142
Assets		2,736,682,170	1,423,655,057

Equity and liabilities

	Notes	2022/23 DKK	2021/22 DKK
Contributed capital		40,000	40,000
Reserve for net revaluation according to the equity method		0	37,561,992
Retained earnings		1,039,165,422	794,615,675
Proposed dividend		105,691,336	0
Equity		1,144,896,758	832,217,667
Payables to group enterprises		1,553,096,456	566,536,451
Non-current liabilities other than provisions	8	1,553,096,456	566,536,451
Trade payables		898,853	21,644,686
Payables to group enterprises		2,795,335	1,079,925
Tax payable		28,687,407	2,176,328
Joint taxation contribution payable		5,920,326	0
Other payables		387,035	0
Current liabilities other than provisions		38,688,956	24,900,939
Liabilities other than provisions		1,591,785,412	591,437,390
Equity and liabilities		2,736,682,170	1,423,655,057
Events after the balance sheet date	1		
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Statement of changes in equity for 2022/23

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	40,000	37,561,992	794,615,675	0	832,217,667
Group contributions etc	0	0	1,247,706,746	0	1,247,706,746
Other entries on equity	0	24,136,179	0	0	24,136,179
Dividends from group enterprises	0	(156,700,000)	156,700,000	0	0
Transfer to reserves	0	1,042,289,879	(1,042,289,879)	0	0
Profit/loss for the year	0	(947,288,050)	(117,567,120)	105,691,336	(959,163,834)
Equity end of year	40,000	0	1,039,165,422	105,691,336	1,144,896,758

Notes

1 Events after the balance sheet date

The Group has after the balanced sheet date acquired further property companies.

Project Nero 3

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No other events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

2 Other financial income

	2022/23	2021/22
	DKK	DKK
Financial income from group enterprises	58,808,225	9,896,237
Other interest income	44,317	0
	58,852,542	9,896,237

3 Other financial expenses

	2022/23	2021/22
	DKK	DKK
Financial expenses from group enterprises	70,030,482	13,473,206
Other interest expenses	38,676	987,373
	70,069,158	14,460,579

4 Tax on profit/loss for the year

	2022/23	2021/22
	DKK	DKK
Current tax	(928,501)	2,176,328
Refund in joint taxation arrangement	(698,549)	(1,065,369)
	(1,627,050)	1,110,959

5 Proposed distribution of profit and loss

	2022/23	2021/22
	DKK	DKK
Ordinary dividend for the financial year	105,691,336	0
Retained earnings	(1,064,855,170)	230,272,034
	(959,163,834)	230,272,034

6 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK
Cost beginning of year	1,008,140,928	340,364,995
Additions	1,250,098,217	1,098,760,004
Cost end of year	2,258,239,145	1,439,124,999
Revaluations beginning of year	37,561,992	0
Adjustments on equity	24,136,179	0
Share of profit/loss for the year	(820,799,033)	0
Dividend	(156,700,000)	0
Other adjustments	(126,489,017)	0
Revaluations end of year	(1,042,289,879)	0
Carrying amount end of year	1,215,949,266	1,439,124,999

The income from group companies is affected by fair value adjustments to investment properties and therefore subject to accounting estimates of the fair value adjustments. The total fair value adjustment in group companies amounts to a loss of DKK 280.7 million.

Investments in subsidiaries	Registered in	Corporate form	Equity interest %
Vivada Properties DK I	Denmark	ApS	100.00
Vivada Properties DK II	Denmark	ApS	100.00
Ejendomsselskabet Kongelundsvej	Denmark	A/S	100.00
Skovlunde By Invest I	Denmark	A/S	100.00
Skovlunde 2 A	Denmark	ApS	100.00
Sinbad HoldCo 1	Denmark	ApS	100.00
Nightingale Holding	Denmark	ApS	100.00
Nightingale Holding II	Denmark	ApS	100.00
Hans Property Holding	Denmark	ApS	100.00
Vivada Properties DK VII HoldCo	Denmark	ApS	100.00

7 Prepayments

Prepayments consists of prepaid costs for coming financial year.

8 Non-current liabilities other than provisions

	Due after more than 12 months 2022/23 DKK	Outstanding after 5 years 2022/23 DKK
Payables to group enterprises	1,553,096,456	1,553,096,456
	1,553,096,456	1,553,096,456

9 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

10 Contingent liabilities

The Entity serves as the administration company in a Danish joint taxation arrangement. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for these entities.

The Entity has issued a letter of support to the subsidiaries by which the Parent is irrevocably obligated to support the subsidiary in fulfilling its obligations until 30 September 2024.

11 Assets charged and collateral

Credit lines by banks is secured by pledge of shares in subsidiaries. Carrying amount of pledged shares in subsidiaries is DKK 1,214,747 thousands.

12 Related parties with controlling interest

Vivada Nordics B.V., The Netherlands, owns all shares in the Entity, thus exercising control.

13 Non-arm's length related party transactions

Only related party transactions not conducted on an arm's length basis are disclosed in the annual report. No such transactions have been conducted in the financial year.

14 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Vivada Nordics B.V., Minervalaan 63, 1077 NR Amsterdam, The Netherlands.

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Vivada Nordics B.V., Minervalaan 63, 1077 NR Amsterdam, The Netherlands.

Accounting policies

Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

Consolidated financial statements

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Income from investments in group enterprises

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under

the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Investments in group enterprises

Investments in group enterprises are recognised and measured according to the equity method. The equity method is considered to be a consolidation method and transaction cost are expensed, when incurred. This means that investments are measured at the pro rata share of the enterprises' equity value plus or minus unrealised intra-group profits or losses.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

The accounting policies applied to material financial statement items of group enterprises are:

Investment property: Investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date. The financial year's adjustments of the properties' fair value are recognised in the income statement.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

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

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash flow statement

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of Vivada Nordics B.V.