



Vivada Denmark ApS

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

Annual report 01.03.2021 - 31.03.2022

The Annual General Meeting adopted the
annual report on 07.10.2022

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

Date of foundation: 01.03.2021

Registered office: København

Financial year: 01.03.2021 - 31.03.2022

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 01.03.2021 - 31.03.2022.

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 Entity's financial position at 31.03.2022 and of the results of its operations for the financial year 01.03.2021 - 31.03.2022.

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, 07.10.2022

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 01.03.2021 - 31.03.2022, 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 31.03.2022 and of the results of its operations for the financial year 01.03.2021 - 31.03.2022 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, 07.10.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Allan Pedersen

State Authorised Public Accountant
Identification No (MNE) mne14952

Frederik Juhl Hestbæk

State Authorised Public Accountant
Identification No (MNE) mne47807

Management commentary

Financial highlights

	2021/22
	DKK'000
Key figures	
Gross profit/loss	(21,719)
Operating profit/loss	(21,719)
Net financials	(4,564)
Profit/loss for the year	230,272
Total assets	1,423,655
Equity	832,218
Ratios	
Equity ratio (%)	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 (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

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 2021-22 shows a profit of DKK 230,272,034. The equity as of 31.03.2022 amounts to DKK 832,217,667, including group contribution during the financial year amounting to DKK 599,972,357.

This is the first reporting period concerning the period 01.03.2021 - 31.03.2022.

The profit for the year is affected by recognition of income from group companies amounting to DKK 257,666,316. 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 DKK 312.930.711 pre tax.

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 DKK 312.9 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 balanced sheet date acquired further property companies.

Project Nacre

On the 11th of May 2022, the Fund signed the SPAs for the acquisition of the Nacre portfolio from NREP for an asset value of DKK 4.8bn. This portfolio consists of 1,213 residential units, 10 retail units and 682 parking units across seven full-blocks located in Copenhagen and Aarhus. The total portfolio is divided over 8 property companies of which on the 1st of June 2022 the first 7 have been closed (asset value DKK 4.23 bn). The remaining company is expected to be closed at the end of 2022 (asset value DKK 570m). The first tranche has initially been financed with DKK 2.7bn bank bridge financing from Nykredit with an interest rate of 2% and DKK 660m in shareholder loans with an interest rate of 5.25%. The bridge financing has been converted to a mortgage loan on the 15th of June 2022. With the closing of the last company the total external financing with Nykredit will end up to be DKK 3.05bn (the "Mortgage Credit Facility"). This amount corresponds to an LTV of approximately 65% of the mortgage-lending value. Shareholder loans will increase this LTV further to a maximum of 80%. The Mortgage Credit Facility will mature on 31 December 2026.

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 575.8m. 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 2021/22

	Notes	2021/22 DKK
Gross profit/loss		(21,718,981)
Income from investments in group enterprises		257,666,316
Other financial income	2	9,896,237
Other financial expenses	3	(14,460,579)
Profit/loss before tax		231,382,993
Tax on profit/loss for the year	4	(1,110,959)
Profit/loss for the year	5	230,272,034

Balance sheet at 31.03.2022

Assets

	Notes	2021/22 DKK
Investments in group enterprises		1,045,702,920
Receivables from group enterprises		340,364,995
Financial assets	6	1,386,067,915
Fixed assets		1,386,067,915
Receivables from group enterprises		5,863,654
Other receivables		12,300,000
Joint taxation contribution receivable		1,065,369
Receivables		19,229,023
Cash		18,358,119
Current assets		37,587,142
Assets		1,423,655,057

Equity and liabilities

	Notes	2021/22 DKK
Contributed capital		40,000
Reserve for net revaluation according to the equity method		37,561,992
Retained earnings		794,615,675
Equity		832,217,667
Payables to group enterprises		566,536,451
Non-current liabilities other than provisions	7	566,536,451
Trade payables		21,644,686
Payables to group enterprises		1,079,925
Tax payable		2,176,328
Current liabilities other than provisions		24,900,939
Liabilities other than provisions		591,437,390
Equity and liabilities		1,423,655,057
Events after the balance sheet date	1	
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Contingent liabilities	9	
Assets charged and collateral	10	
Related parties with controlling interest	11	
Non-arm's length related party transactions	12	
Group relations	13	

Statement of changes in equity for 2021/22

	Contributed capital DKK	Reserve for net revaluation according to the equity method DKK	Retained earnings DKK	Total DKK
Contributed upon formation	40,000	0	0	40,000
Effect of mergers and business combinations	0	0	1,933,276	1,933,276
Group contributions etc	0	0	599,972,357	599,972,357
Transfer to reserves	0	37,561,992	(37,561,992)	0
Profit/loss for the year	0	0	230,272,034	230,272,034
Equity end of year	40,000	37,561,992	794,615,675	832,217,667

Notes

1 Events after the balance sheet date

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Project Nacre

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Project Trinity 2

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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

	2021/22
	DKK
Financial income from group enterprises	9,896,237
	9,896,237

3 Other financial expenses

	2021/22
	DKK
Financial expenses from group enterprises	13,473,206
Other interest expenses	987,373
	14,460,579

4 Tax on profit/loss for the year

	2021/22
	DKK
Current tax	2,176,328
Refund in joint taxation arrangement	(1,065,369)
	1,110,959

5 Proposed distribution of profit and loss

	2021/22
	DKK
Retained earnings	230,272,034
	230,272,034

6 Financial assets

	Investments in group enterprises DKK	Receivables from group enterprises DKK
Additions	1,008,140,928	340,364,995
Cost end of year	1,008,140,928	340,364,995
Addition through business combinations etc	1,933,276	0
Share of profit/loss for the year	257,666,316	0
Dividend	(222,037,600)	0
Revaluations end of year	37,561,992	0
Carrying amount end of year	1,045,702,920	340,364,995

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 DKK 312.930.711.

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 Non-current liabilities other than provisions

	Due after more than 12 months 2021/22 DKK	Outstanding after 5 years 2021/22 DKK
Payables to group enterprises	566,536,451	566,536,451
	566,536,451	566,536,451

8 Employees

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

9 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 2023.

10 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 1,045,702,920.

11 Related parties with controlling interest

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

12 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.

13 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).

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.

Cash

Cash comprises cash in hand and bank deposits.

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.