

# **Magasin Odense A/S**

**c/o Magasin du Nord, Kongens Nytorv 13, kl, 1050 København K**

**Company reg. no. 13 89 50 31**

## **Annual report**

**1 January - 31 December 2022**

The annual report was submitted and approved by the general meeting on the 11 May 2023.

---

**Rasmus Elverdam**  
Chairman of the meeting

Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

## Contents

---

	<u>Page</u>
<b>Reports</b>	
Management's statement	1
Independent auditor's report	2
<b>Management's review</b>	
Company information	5
Management's review	6
<b>Financial statements 1 January - 31 December 2022</b>	
Accounting policies	8
Income statement	12
Balance sheet	13
Statement of changes in equity	15
Notes	16

## **Management's statement**

---

Today, the Board of Directors and the Managing Director have approved the annual report of Magasin Odense A/S for the financial year 1 January - 31 December 2022.

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

We consider the chosen accounting policy to be appropriate, and 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 – 31 December 2022.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

København K, 11 May 2023

### **Managing Director**

Michael Jagd Jelbo

### **Board of directors**

Peter Fabricius

Frederik Gottlieb Gaarde  
Gudtmann Nielsen

Rasmus Munk Elverdam

## **Independent auditor's report**

---

### **To the Shareholder of Magasin Odense A/S**

#### **Opinion**

We have audited the financial statements of Magasin Odense A/S for the financial year 1 January - 31 December 2022, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes, for the Company. The financial statements are prepared under the Danish Financial Statements Act.

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 - 31 December 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 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.

#### **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.

## **Independent auditor's report**

---

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.

### **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.

## **Independent auditor's report**

---

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, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 11 May 2023

### **Grant Thornton**

State Authorised Public Accountants  
Company reg. no. 34 20 99 36

#### **Brian Rasmussen**

State Authorised Public Accountant  
mne30153

#### **Ronnie Lund Jensen**

State Authorised Public Accountant  
mne41308

## Company information

---

### **The company**

Magasin Odense A/S  
c/o Magasin du Nord  
Kongens Nytorv 13, kl  
1050 København K

Company reg. no. 13 89 50 31  
Established: 1 January 1990  
Domicile: Copenhagen  
Financial year: 1 January - 31 December

### **Board of directors**

Peter Fabricius  
Frederik Gottlieb Gaarde Gudtmann Nielsen  
Rasmus Munk Elverdam

### **Managing Director**

Michael Jagd Jelbo

### **Auditors**

Grant Thornton, Statsautoriseret Revisionspartnerselskab  
Stockholmsgade 45  
2100 København Ø

### **Parent company**

Emil Retail Holding Aps

## **Management's review**

---

### **The principal activities of the company**

The company's sole activity consists of owning and managing the properties located at Klingenberg 6 and Vestergade 24, 5000 Odense C.

### **Development in activities and financial matters**

On December 1, 2022, EMIL Retail Holding ApS resumed ownership of the company from ATP Property Development and Pension Denmark. The change of ownership had no major effect on the company activities or financial matters, apart from the fact that the company under the new ownership is liable for corporate tax. The company was exempt from corporate tax under the previous ownership.

The Net profit for the year was 3,9 mio. DKK versus 25,6 mio. DKK in 2021. The difference is due to value adjustments in 2021 and tax. The result is considered satisfactory.

The total Equity of the company is 111 mio. DKK by 31 December 2022

### **Expected developments**

Management expect that the company's activities and profit before value adjustments for 2023 will be at the same level as 2022.

### **Financial risks and the use of financial instruments**

The company's risk factors are evaluated on the following areas:

#### *Operational risks*

The company's operational risks primarily include failing rental income, or facing increasing operations and maintenance costs. The main risks for failing rental income consist of the tenant's termination of the tenancy or the tenant's loss of ability to pay. In some of the lease agreements, prepayments and deposits mitigate the risk.

A significant part of the company's income comes from a single tenant within the retail segment, with whom a lease has been entered into with a long-term non-cancellation period. This tenant is a well-consolidated company under the same ownership as Magasin Odense ApS.

#### *Insurance risks*

The company's property is fully insured of its indicative value.



## **Management's review**

---

### *Market risks*

In relation to the change of ownership in late 2022, the property was valued between independent parties. Management believes this is the best evidence of a fair value as of 31 December 2022.

In 2023 and going forward the property will be valued by the below principles similar to previous years. The property is valued at market value based on an individual annual assessment. The market value calculations are based on The Danish Financial Supervisory Authority's current guidance, where a return-based model is chosen.

The market value is calculated for the individual properties based on a number of assumptions, including the individual properties' budgeted net income as well as a fixed discount factor, cf. the mention of this in the description of accounting policies. The discount factors are set based on external brokers' assessment of the market level and reflects the market's current return requirement for the equivalent properties.

### *Interest rate risks*

The company has taken out loans from a Danish credit institution. The interest is a mix of fixed and variable rates.

### *Foreign currency risks*

The company does not have any currency risks, as both external funding and the company's income and costs are settled in Danish Kroner.

### **Events occurring after the end of the financial year**

No major events have occurred after the balance sheet day.

## Accounting policies

---

The annual report for Magasin Odense A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Cf. ÅRL § 23 subsection 4, the arrangement of the income statement and balance has been adapted, as well as designation of accounting items, thus the annual report in the opinion of the management, provides a fair picture of the company's special activities.

### Changes in the accounting policies

Previous years the company has been exempt from taxation on profits due to being owned 100 percent by pension funds under the Danish Taxation of Pension Investment Returns Act, which requires at least 90 percent of the company's assets to consist of real estate. As the company during 2022 has been traded and is therefore under new ownership, the company is liable for taxes for 2022 and onwards under the Danish Corporate Tax Act. For 2022 the deferred taxes have been adjusted to reflect the deferred tax at the balance sheet date. This change does not affect the comparative figures, and the consequence in 2022 on the net profit and total equity amounts to 5.497 t.DKK and can be found under tax on net profit or loss for the year in the income statement.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

## Income statement

### Rental income

Rental income includes income from renting out the property as well as onward billing of taxes fees and is recognized in the income statement in the period to which the rent relates.

### Costs concerning investment property

Costs concerning investment property comprise operating costs, repair and maintenance costs, taxes, fees, charges, and other costs. Costs concerning the heating account are recognised in the statement of financial position as a balance with lessees.

## Accounting policies

---

### Administration expenses

Administration expenses comprise expenses incurred during the year concerning management, administration of the property as well as general administration fees.

### Value adjustment of investment property

Value adjustment of investment property comprises value adjustments of properties at fair value and profit or loss from the disposal of properties.

### Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Statement of financial position

### Investment property

At the initial recognition, investment property is measured at cost, comprising the cost of the property and directly associated costs, if any.

Due to the company being sold by the end of 2022, it has been assessed that the sales price of the investment property within is the best estimate of fair value at 31 December 2022, hence the property's value is based on and recognized as the sales price. In 2023 and going forward the property will be valued according to the principles below similar to previous years.

Hereafter, investment properties are measured individually at an estimated fair value. The properties are measured using a returnbased model, by which the expected future cash flows for the following year, along with a rate of return determined by an external assessor, form the basis for the fair value of the properties. Compared to the previous financial year, the method of measurement remains unchanged.

## Accounting policies

---

Costs adding new or improved qualities to an investment property compared to its condition at the time of acquisition, thereby improving the future return on the property, are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognised in the income statement under the item "Costs concerning investment property".

Like other property, plant, and equipment except for land, investment property has a limited economic life. The impairment taking place concurrently with the ageing of the investment property is reflected in the continuing measurement of the investment property at fair value.

Value adjustments are recognised in the income statement under the item "Value adjustments of property".

### Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

### Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Magasin Odense A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

## Accounting policies

---

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

### **Liabilities other than provisions**

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

## Income statement 1 January - 31 December

---

DKK thousand.

<u>Note</u>	<u>2022</u>	<u>2021</u>
Rental income	18.326	16.729
Costs concerning investment property	-2.437	-880
Value adjustment of investment property	<u>-13.273</u>	<u>19.004</u>
<b>Gross profit</b>	<b>2.616</b>	<b>34.853</b>
Administration expenses	<u>-384</u>	<u>-432</u>
<b>Profit before net financials</b>	<b>2.232</b>	<b>34.421</b>
Other financial income	30	0
1 Other financial expenses	<u>-3.836</u>	<u>-4.029</u>
<b>Pre-tax net profit or loss</b>	<b>-1.574</b>	<b>30.392</b>
2 Tax on net profit or loss for the year	<u>5.497</u>	<u>-4.751</u>
<b>Net profit or loss for the year</b>	<b><u>3.923</u></b>	<b><u>25.641</u></b>
<b>Proposed distribution of net profit:</b>		
Extraordinary dividend distributed during the financial year	103.329	0
Transferred to retained earnings	0	25.641
Allocated from retained earnings	<u>-99.406</u>	<u>0</u>
<b>Total allocations and transfers</b>	<b><u>3.923</u></b>	<b><u>25.641</u></b>

**Balance sheet at 31 December**

DKK thousand.

<b>Assets</b>		
<u>Note</u>	<u>2022</u>	<u>2021</u>
<b>Non-current assets</b>		
3 Investment property	337.254	346.597
Total property, plant, and equipment	337.254	346.597
<b>Total non-current assets</b>	<b>337.254</b>	<b>346.597</b>
<b>Current assets</b>		
Trade receivables	10	0
Other receivables	677	0
Total receivables	687	0
Cash and cash equivalents	12.778	13.433
<b>Total current assets</b>	<b>13.465</b>	<b>13.433</b>
<b>Total assets</b>	<b>350.719</b>	<b>360.030</b>

**Balance sheet at 31 December**

DKK thousand.

<b>Equity and liabilities</b>	<u>2022</u>	<u>2021</u>
<u>Note</u>		
<b>Equity</b>		
Contributed capital	28.092	28.092
Retained earnings	82.803	182.209
<b>Total equity</b>	<b><u>110.895</u></b>	<b><u>210.301</u></b>
<b>Provisions</b>		
4 Provisions for deferred tax	35.941	41.438
<b>Total provisions</b>	<b><u>35.941</u></b>	<b><u>41.438</u></b>
<b>Liabilities other than provisions</b>		
Mortgage loans	192.225	0
Deposits	477	7.178
Payables to group enterprises	0	98.966
5 Total long term liabilities other than provisions	<u>192.702</u>	<u>106.144</u>
5 Current portion of long term liabilities	8.516	0
Trade payables	413	0
Payables to group enterprises	1.675	990
Other payables	577	1.157
Total short term liabilities other than provisions	<u>11.181</u>	<u>2.147</u>
<b>Total liabilities other than provisions</b>	<b><u>203.883</u></b>	<b><u>108.291</u></b>
<b>Total equity and liabilities</b>	<b><u>350.719</u></b>	<b><u>360.030</u></b>
<b>6 Charges and security</b>		
<b>7 Contingencies</b>		
<b>8 Related parties</b>		



## Statement of changes in equity

---

DKK thousand.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	28.092	156.567	184.659
Retained earnings for the year	<u>0</u>	<u>25.642</u>	<u>25.642</u>
Equity 1 January 2022	28.092	182.209	210.301
Retained earnings for the year	0	-99.406	-99.406
Extraordinary dividend adopted during the financial year	0	103.329	103.329
Distributed extraordinary dividend adopted during the financial year	<u>0</u>	<u>-103.329</u>	<u>-103.329</u>
	<b><u>28.092</u></b>	<b><u>82.803</u></b>	<b><u>110.895</u></b>

## Notes

---

DKK thousand.

	<u>2022</u>	<u>2021</u>
<b>1. Other financial expenses</b>		
Interest, banks	48	49
Interest, debt instruments	542	0
Interest, trade payables	3	0
Interest, group enterprises	3.243	3.980
	<u><b>3.836</b></u>	<u><b>4.029</b></u>
<b>2. Tax on net profit or loss for the year</b>		
Adjustment of deferred tax for the year	-5.497	4.751
	<u><b>-5.497</b></u>	<u><b>4.751</b></u>
<p>Previous years the company has been exempt from taxation on profits, due to being owned 100 percent by pension funds under the Danish Taxation of Pension Investment Returns Act, which requires at least 90 percent of the company's assets to consist of real estate. As the company during 2022 has been traded and is therefore under new ownership, the company is liable for taxes for 2022 and onwards under the Danish Corporate Tax Act. For 2022 the deferred taxes have been adjusted to reflect the deferred tax at the balance sheet date.</p>		
<b>3. Investment property</b>		
Cost 1 January 2022	273.744	272.632
Additions during the year	3.930	1.112
<b>Cost 31 December 2022</b>	<u><b>277.674</b></u>	<u><b>273.744</b></u>
Fair value adjustment 1 January 2022	72.853	53.849
Adjustments to fair value for the year	-13.273	19.004
<b>Fair value adjustment 31 December 2022</b>	<u><b>59.580</b></u>	<u><b>72.853</b></u>
<b>Carrying amount, 31 December 2022</b>	<u><b>337.254</b></u>	<u><b>346.597</b></u>

Due to the company being sold by the end of 2022, it has been assessed that the sales price of the investment property within is the best estimate of fair value at 31 December 2022, hence the property's value is based on and recognized as the sales price. In 2023 and going forward the property will be valued according to the principles below similar to previous years.

The company's investment property is a retail property of approx. 19.900 sqm located in Odense.

## Notes

---

DKK thousand.

	<u>31/12 2022</u>	<u>31/12 2021</u>
<b>4. Provisions for deferred tax</b>		
Provisions for deferred tax 1 January 2022	41.438	36.687
Deferred tax relating to the net profit or loss for the year	<u>-5.497</u>	<u>4.751</u>
	<b><u>35.941</u></b>	<b><u>41.438</u></b>

### 5. Long term liabilities other than provisions

	<u>Total payables 31 Dec 2022</u>	<u>Current portion of long term payables</u>	<u>Long term payables 31 Dec 2022</u>	<u>Outstanding payables after 5 years</u>
Mortgage loans	200.741	8.516	192.225	160.079
Deposits	<u>477</u>	<u>0</u>	<u>477</u>	<u>0</u>
	<b><u>201.218</u></b>	<b><u>8.516</u></b>	<b><u>192.702</u></b>	<b><u>160.079</u></b>

### 6. Charges and security

As collateral for mortgage loans, t.DKK 200.741, security has been granted on land and buildings representing a carrying amount of t.DKK 337.254 at 31 December 2022.

As collateral for mortgage loans a general prohibition of sale and mortgaging of the property is registered.

For bank engagement in group enterprise within the Emil Retail Holding ApS Group, the company has provided an absolute guarantee.

## Notes

---

DKK thousand.

### 7. Contingencies

#### Joint taxation

With EMIL Retail Holding ApS, company reg. no 42 40 11 02 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

### 8. Related parties

#### Consolidated financial statements

The company is a wholly owned subsidiary of EMIL Retail Holding ApS and is included in that company's consolidated financial statements, which are publicly available.