
Magillum Avedøre A/S

c/o Solstra Capital Partners, Amaliegade 24, st., DK-1256 Copenhagen K

Annual Report for 1 January - 31 December 2019

CVR No 13 89 50 90

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
31/08 2020

Mette Kapsch
Chairman of the General
Meeting



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Management's Statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of Magillum Avedøre A/S for the financial year 1 January - 31 December 2019.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2019 of the Company and of the results of the Company operations for 2019.

In our opinion, 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.

Copenhagen K, 31 August 2020

Executive Board

Henrik Gram
CEO

Board of Directors

Mette Kapsch
Chairman

David Robson Overby

Henrik Gram

Independent Auditor's Report

To the Shareholder of Magillum Avedøre A/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 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Magillum Avedøre A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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 Financials Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 31 August 2020

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Torben Jensen
statsautoriseret revisor
mne18651

Claus Carlsson
statsautoriseret revisor
mne29461

Company Information

The Company

Magillum Avedøre A/S
c/o Solstra Capital Partners
Amaliegade 24, st.
DK-1256 Copenhagen K

Telephone: + 45 33183021

CVR No: 13 89 50 90

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

Board of Directors

Mette Kapsch, Chairman
David Robson Overby
Henrik Gram

Executive Board

Henrik Gram

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's Review

Key activities

The objective of the Company is to operate a business of direct and indirect investment in real property, rental services and any other business that the board of directors deems incidental thereto.

Development in the year

The income statement of the Company for 2019 shows a profit of TDKK 1,971, and at 31 December 2019 the balance sheet of the Company shows equity of TDKK 65,709.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Annual Report have not been subject to any uncertainty.

Income Statement 1 January - 31 December

	Note	2019 TDKK	2018 TDKK
Gross profit/loss before value adjustments		3.223	3.342
Value adjustments of investment assets and the financial liabilities involved	2	-561	0
Gross profit/loss		2.662	3.342
Financial income	3	1.053	718
Financial expenses	4	-448	-578
Profit/loss before tax		3.267	3.482
Tax on profit/loss for the year	5	-1.296	1.332
Net profit/loss for the year		1.971	4.814

Distribution of profit

Proposed distribution of profit

Retained earnings		1.971	4.814
		1.971	4.814

Balance Sheet 31 December

Assets

	Note	2019 TDKK	2018 TDKK
Investment properties		42.517	42.517
Property, plant and equipment		42.517	42.517
Fixed assets		42.517	42.517
Receivables from group enterprises		46.280	43.633
Other receivables		24	142
Receivables		46.304	43.775
Cash at bank and in hand		1.350	4.639
Currents assets		47.654	48.414
Assets		90.171	90.931

Balance Sheet 31 December

Liabilities and equity

	Note	2019 TDKK	2018 TDKK
Share capital		19.339	19.339
Retained earnings		46.370	44.400
Equity	6	65.709	63.739
Mortgage Loans		2.219	3.916
Credit institutions		16.513	17.561
Deposits		1.765	1.708
Long-term debt	7	20.497	23.185
Mortgage loans	7	1.697	1.631
Credit institutions	7	1.024	1.023
Trade payables		35	24
Other payables		1.209	1.329
Short-term debt		3.965	4.007
Debt		24.462	27.192
Liabilities and equity		90.171	90.931
Subsequent events	1		
Contingent assets, liabilities and other financial obligations	8		
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Statement of Changes in Equity

	Share capital TDKK	Retained earnings TDKK	Total TDKK
Equity at 1 January	19.339	44.399	63.738
Net profit/loss for the year	0	1.971	1.971
Equity at 31 December	19.339	46.370	65.709

Notes to the Financial Statements

1 Subsequent events

The implications of COVID-19 with many governments across the world deciding to "close down their countries" will have a great impact on the global economy. 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. Consequently, the assessments of fair value adjustments made by Management at 31 December 2019 is based on the future cash flows expected by Management at 31 December 2019, which may differ from the cash flows expected by Management at the time of adoption of the Annual Report. To date, the Company has not yet been negatively impacted by the effects of COVID-19.

The Company's tenants are currently paying rent as per entered lease agreements.

	2019 TDKK	2018 TDKK
2 Value adjustments of investment assets and the financial liabilities involved		
Other value adjustments of investment properties	-561	0
	-561	0
3 Financial income		
Interest received from group enterprises	1.053	718
	1.053	718
4 Financial expenses		
Other financial expenses	448	578
	448	578
5 Tax on profit/loss for the year		
Current tax for the year	476	651
Deferred tax for the year	-476	-651
Adjustment of tax concerning previous years	1.296	-1.332
	1.296	-1.332

Notes to the Financial Statements

6 Equity

The share capital consists of 19,339 shares of a nominal value of TDKK 1. No shares carry any special rights.

7 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2019</u> TDKK	<u>2018</u> TDKK
Mortgage Loans		
Between 1 and 5 years	2.219	3.916
Long-term part	<u>2.219</u>	<u>3.916</u>
Within 1 year	<u>1.697</u>	<u>1.631</u>
	<u>3.916</u>	<u>5.547</u>
Credit institutions		
After 5 years	12.444	13.473
Between 1 and 5 years	4.069	4.088
Long-term part	<u>16.513</u>	<u>17.561</u>
Within 1 year	<u>1.024</u>	<u>1.023</u>
	<u>17.537</u>	<u>18.584</u>
Deposits		
Between 1 and 5 years	1.765	1.708
Long-term part	<u>1.765</u>	<u>1.708</u>
Within 1 year	<u>0</u>	<u>0</u>
	<u>1.765</u>	<u>1.708</u>

Notes to the Financial Statements

8 Contingent assets, liabilities and other financial obligations

Charges and security

The investment property have been placed as security with mortgage credit institute.

Contingent liabilities

The Solstra Investments A/S Group's Danish companies are jointly and severally liable for tax on the Group's income subject to joint taxation, etc. The total amount is disclosed in the Annual Report of Solstra Investments A/S, which is the administration company for joint taxation purposes.

There are no security and contingent liabilities at 31 December 2019.

9 Related parties

Basis

Controlling interest

Alshair Fiyaz, Monaco	Ultimate owner
ALFI Mark Trust, Liechtenstein	Ultimate parent company
Markerina Investments Ltd., Cyprus	Intermediate parent company
Solstra Holdings Cyprus, Ltd., Cyprus	Intermediate parent company
Solstra Investments A/S, Copenhagen	Immediate parent company

Solstra Investments A/S is holding 100 % of the votes in the Company.

Consolidated Financial Statements

The Company is included in the Group Annual Report of Solstra Investments A/S:

<u>Name</u>	<u>Place of registered office</u>
Solstra Investments A/S	Copenhagen

Notes to the Financial Statements

9 Related parties (continued)

The Group Annual Report of Solstra Investments A/S may be obtained at the following address:

Solstra Investments A/S
c/o Solstra Capital Partners
Amaliegade 24, st.
DK-1256 Copenhagen K

The Company is included in the Consolidated Financial Statements of the ultimate parent company Solstra Holdings Cyprus Ltd. As a result of the legislation in Cyprus the Consolidated Financial Statements are not published.

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of Magillum Avedøre A/S for 2019 has been prepared 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.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2019 are presented in TDKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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.

Assets and liabilities are initially 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 maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Income Statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Notes to the Financial Statements

10 Accounting Policies (continued)

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual report.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company, including gains and losses on the sale of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with Danish affiliated companies. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance Sheet

Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed investment properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

Investment properties are measured at fair value and adjustments are recognized in the income statement. Fair value measurement is made for each property based on the property's detailed budget for

Notes to the Financial Statements

10 Accounting Policies (continued)

the coming operating years, adjusted for fluctuations from non-recurring events. Based on this management considers a return on investment valuation model to be the most suitable for the valuation on investment properties.

The carrying value of the investment properties are affected by several assumptions, one of the main assumptions is the rate of return for the investment property which is 8,5%.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

Debts are measured at amortised cost, substantially corresponding to nominal value.