

Trianglen PropCo A/S

c/o Taurus Ejendomsadministration, Skovvejen 11 st , 8000 Aarhus C.

Company reg. no. 21 82 91 96

Annual report

1 January - 31 December 2019

The annual report have been submitted and approved by the general meeting:

Date: 20 April 2020



Chairman of the meeting

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Management's report

The board of directors and the managing director have today presented the annual report of Trianglen PropCo A/S for the financial year 1 January - 31 December 2019.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 December 2019 and of the company's results of its financial activities in the financial year 1 January - 31 December 2019.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

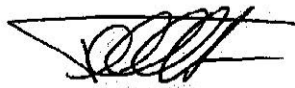
Aarhus, 20 April 2020

Managing Director



Robert Feldt

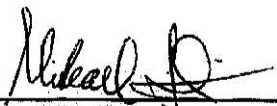
Executive board



Robert Feldt



Hasse Lyngsø Wulff



Mikael Hjorth

Independent auditor's report

To the shareholders of Trianglen PropCo A/S

Opinion

We have audited the financial statements of Trianglen PropCo A/S for the financial year 1 January - 31 December 2019, which comprise income statement, balance sheet and notes, including 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 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.

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 our report. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements.

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 as to 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 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and 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.
- ▶ 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 note 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 the management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the Management's review.

Copenhagen, 20 April 2020

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28



Kaare K. Lendorf

State Authorised

Public Accountant

mne33819

Company data

The company	TRIANGLEN PROPCO A/S c/o Taurus Ejendomsadministration Skovvejen 11 st 8000 Aarhus C Company reg. no. 21 82 91 96 Financial year: 1 January - 31 December 2019
Executive board	Mikael Hjorth Hasse Lyngsie Wulff Robert Feldt
Managing Director	Robert Feldt
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Dirch Passers Allé 36 Postboks 250 2000 Frederiksberg
Parent company	Strandholmen HoldCo S.á.r.l. Luxembourg

Management's review

Primary activities

Like previous years, the purpose of the Company is to buy and operate real estate.

Development in activities and financial matters

The gross profit for the year is t.DKK 549 against t.DKK -1.333 last year. The results from ordinary activities after tax are t.DKK 19.527 against t.DKK -6.076 last year. The management consider the results satisfactory.

Events after the balance sheet date

In the beginning of 2020 the coronavirus outbreak (COVID-19) did have significant impact on the world economic. The COVID-19 outbreak can potentially impact future- cash-flows and property valuations for real estate companies. The company's realised the operations as planned in Q1 2020.

The lessee in the company's residential investment property could also impacted of the COVID-19 outbreak. However, it is expected that the lessee will continue to pay rent in accordance with the lease agreements.

No other events have occurred after the balance sheet date that materially affect the company's financial position.

Accounting policies used

The annual report for Trianglen PropCo A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

The profit and loss account

Gross loss

The gross loss comprises of rental income, operating costs and other external costs.

Rental income comprises income from the lease of property and from charged joint costs, and it is recognised in the profit and loss account for the period relating to the lease payment. Income from the heating account is recognised in the balance sheet as a balance among the lessees.

Operating costs include costs directly associated with the operation of the property, repair and maintenance, taxes and other costs that are not paid by the tenant.

Other external costs comprise costs for administration and loss on debtors.

Value adjustment of investment property

Value adjustment of investment property comprises value adjustments of properties at fair value.

Net financials

Net financials comprise interest, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

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

The balance sheet

Investment property

At the first recognition, investment property under construction is measured at cost. Subsequently, investment property under construction is measured at fair value. Fair value is determined as fair value of land at the transaction date of shares in the Company plus construction costs.

Receivables

Debtors and amounts owed by group enterprises are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

Prepayments

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

Available funds

Available funds comprise cash at bank and in hand.

Corporate tax and deferred tax

Current tax receivable and tax liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivable and tax liabilities are set off to the extent that legal right of set-off exists and if the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, Trianglen PropCo A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies. Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus. Deferred tax assets, including the tax value of tax losses eligible for carry over, 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. Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds with the deduction of transaction costs incurred. In following periods, the financial liabilities are recognised at amortised cost. Mortgage debt and bank debt are measured at amortised cost. As to cash loans, this corresponds to the outstanding debt of the loan. For bond loans, the amortised cost corresponds to an outstanding debt calculated as the underlying cash value at the date of borrowing adjusted by amortisation of the market value adjustment on the date of the borrowing carried out over the repayment period.

Liabilities relating to investment properties are measured at amortised cost.

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

Profit and loss account

	Note	2019 DKK	2018 t.DKK
Gross profit / loss		549.129	-1.333
Fair value adjustment of the investment property		31.609.361	0
Operating profit / loss		32.158.490	-1.333
Other financial income		44.656	0
Other financial costs	1	-7.162.046	-8.317
Results before tax		25.041.100	-9.650
Tax on ordinary results	2	-5.514.042	3.574
Results for the year		19.527.058	-6.076
Proposed distribution of the results:			
Allocated from results brought forward		19.527.058	-6.076
Distribution in total		19.527.058	-6.076

Balance sheet 31 December

Assets	Note	2019 DKK	2018 t.DKK
Investment property		528.200.000	432.509
Tangible fixed assets in total	3	528.200.000	432.509
Fixed assets in total		528.200.000	432.509
Current assets			
Other debtors		692.600	0
Prepayments		86.297	0
Joint taxation contribution receivable		963.490	0
Receivables in total		1.742.387	0
Available funds		5.602.886	5.269
Current assets in total		7.345.273	5.269
Assets in total		535.545.273	437.778

Balance sheet 31 December

Equity and liabilities	Note	2019 DKK	2018 t.DKK
Equity			
Contributed capital		500.000	500
Results brought forward		92.069.464	72.542
Equity in total		92.569.464	73.042
Provisions			
Provisions for deferred tax		39.449.377	33.610
Provisions in total		39.449.377	33.610
Liabilities			
Debt to group enterprises	4	135.285.298	135.285
Mortgage debt	5	247.479.750	0
Long-term liabilities in total		382.765.048	135.285
Prepayments and deposits received from customers		5.557.700	0
Trade creditors		3.028.007	28.616
Debt to group enterprises	4	12.175.677	9.966
Bank debt		0	152.751
Corporate tax		0	4.062
Other debt		0	446
Short-term liabilities in total		20.761.384	195.841
Liabilities in total		403.526.432	331.126
Equity and liabilities in total		535.545.273	437.778
Mortgage and securities	6		
Contingencies	7		

Statement of changes in equity

	Contributed capital	Results brought forward	In total
Equity at 1 January 2018	500.000	78.619.096	79.119.096
Profit or loss for the year brought forward 2018		-6.076.690	-6.076.690
Equity 1 January 2019	500.000	72.542.406	73.042.406
Profit or loss for the year brought forward 2019	0	19.527.058	19.527.058
Equity 31 December 2019	500.000	92.069.464	92.569.464

Notes

	2019 DKK	2018 t.DKK
1. Other financial costs		
Financial costs, group enterprises	7.124.831	8.117
Other financial costs	<u>37.215</u>	<u>200</u>
	7.162.046	8.317
2. Tax on ordinary results		
Tax of the results for the year	963.490	1.195
Adjustment for the year of deferred tax	-5.839.410	1.339
Adjustment for prior year deferred tax	<u>-638.122</u>	<u>1.040</u>
	-5.514.042	3.574
3. Investment property		
Cost 1 January	273.648.624	92.897
Additions during the year	64.081.806	180.752
Cost 31 December	337.730.430	273.649
Fair value adjustment 1 January	158.860.209	158.860
Fair value adjustment of the year	31.609.361	0
Fair value adjustment 31 December	190.469.570	158.860
Book value 31 December	528.200.000	432.509

A determination of the yield from the individual properties is based on the expected rental income by fully leased property. Expected operating costs, administration costs and maintenance costs are deducted.

The fair value of the investment properties has been determined on the basis of external brokers' evaluation of investment property. The property is located in Aarhus and are used for residential, totaling 19.663 sqm.

Compared to the latest financial year, the methods of measurement used have not been changed.

The fixing of the market value (book value) is based on the following equivalent yield:

Equivalent yield: 3,5 %

Key assumptions

Changes in the equivalent yield have a material effect on the measuring of investment property. An increase in equivalent yield could mean a decrease of market value. The market development may result in changed requirements to the return on real property.

The below survey shows how the measurement of the portfolio of property is affected when the equivalent yields are increasing and decreasing respectively:

Equivalent yield	Fair value of the portfolio of property	Book value	Adjustment
4,00%	462.200.000	528.200.000	-66.000.000
3,00%	616.200.000	528.200.000	88.000.000

Notes

	2019 DKK	2018 t.DKK
4. Debt to group enterprises		
Debt to group enterprises long term	135.285.298	135.285
Debt to group enterprises short term	<u>12.175.677</u>	<u>0</u>
Debt to group enterprises in total	147.460.975	135.285
Share of liabilities due after 5 years	135.285.298	135.285
5. Mortgage debt		
Mortgage debt in total	247.479.750	0
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Share of liabilities due after 5 years	248.100.000	0

6. Mortgage and securities

As security for debt, t.DKK 247.480, mortgage has been granted on investment properties representing a book value of t.DKK 528.200 at 31 December 2019.

7. Contingencies

Joint taxation

Block E P1 ApS, company reg. no 36960299 being the administration company. The Company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The Company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

The jointly taxed enterprises' total, known net liability to the Danish tax authorities appears from the annual accounts of the administration company.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.