

Ejendomsselskabet af Januar 2002 P/S

Trianglen 4, 3. tv, 2100 København Ø

CVR no. 26 36 93 47

Annual report 2023

Approved at the Company's annual general meeting on 23 May 2024

Chair of the meeting:


.....
Carl Edgar Serge Vøgg

Contents

Statement by	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes to the financial statements	11

Statement by

Today, discussed and approved the annual report of Ejendomsselskabet af Januar 2002 P/S for the financial year 1 January - 31 December 2023.

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 of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 23 May 2024
Executive Board:



Stephan Schmitz

Board of Directors:



Carl Edgar Serge Vøgg
Chairman



Harry Duncan MacDonald



Stephan Schmitz

Independent auditor's report

To the shareholders of Ejendomsselskabet af Januar 2002 P/S

Opinion

We have audited the financial statements of Ejendomsselskabet af Januar 2002 P/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 believe that the audit evidence we have 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' 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.

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 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 the 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 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 Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 23 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Morten Schougaard Sørensen
State Authorised Public Accountant
mne32129

Management's review

Company details

Name	Ejendomsselskabet af Januar 2002 P/S
Address, Postal code, City	C/O Pears Global Real Estate Denmark ApS Trianglen 4, 3. tv, 2100 København Ø
CVR no.	26 36 93 47
Established	10 December 2001
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Carl Edgar Serge Vøgg, Chairman Harry Duncan MacDonald Stephan Schmitz
Executive Board	Stephan Schmitz
General Partner	Bestway GP ApS Trianglen 4, 3. tv 2100 København Ø
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Business review

The company's purpose is to own and hold shares in companies, buying, selling and renting real estate and any other related business.

Recognition and measurement uncertainties

The company holds investment properties measured at fair value. For a description of significant assumptions for the fair value recognition as 31 December 2023 please refer to note 4.

Financial review

The income statement for 2023 shows a loss of DKK 31,749,839 against a loss of DKK 12,771,472 last year, and the balance sheet at 31 December 2023 shows equity of DKK 526,351,155. The loss is influenced by a fair value adjustment of the investment properties. The net loss on fair value adjustment is approx. DKK 41,013 thousand.

Management considers the company's financial performance in the year as expected.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	<u>2023</u>	<u>2022</u>
	Gross profit/loss	-635,727	247,575
	Fair value adjustment of investment property	-22,678,816	-10,715,265
	Profit/loss before net financials	-23,314,543	-10,467,690
	Other financial income from group enterprises	1,308,406	1,018,931
	Financial income	166,918	199,645
	Financial expenses, group enterprises	-605,213	-61,735
	Other financial expenses	-9,305,407	-3,460,623
	Profit/loss for the year	<u>-31,749,839</u>	<u>-12,771,472</u>
	Recommended appropriation of profit/loss		
	Proposed dividend recognised under equity	0	18,104,823
	Extraordinary dividend distributed in the year	0	6,000,000
	Retained earnings/accumulated loss	-31,749,839	-36,876,295
		<u>-31,749,839</u>	<u>-12,771,472</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	ASSETS		
	Fixed assets		
3	Property, plant and equipment		
4	Investment property	636,670,000	738,030,000
		<u>636,670,000</u>	<u>738,030,000</u>
5	Investments		
	Other receivables	22,444,953	21,401,544
		<u>22,444,953</u>	<u>21,401,544</u>
	Total fixed assets	<u>659,114,953</u>	<u>759,431,544</u>
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	56,153,746	25,522,631
	Other receivables	5,823,194	1,228,111
	Prepayments	561,658	2,711,341
		<u>62,538,598</u>	<u>29,462,083</u>
	Cash	<u>2,884,744</u>	<u>5,247,802</u>
	Total non-fixed assets	<u>65,423,342</u>	<u>34,709,885</u>
	TOTAL ASSETS	<u><u>724,538,295</u></u>	<u><u>794,141,429</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	5,000,000	5,000,000
	Retained earnings	521,351,155	553,100,994
	Dividend proposed	0	18,104,823
	Total equity	<u>526,351,155</u>	<u>576,205,817</u>
	Provisions		
	Other provisions	5,057,195	5,395,835
7	Total provisions	<u>5,057,195</u>	<u>5,395,835</u>
	Liabilities other than provisions		
6	Non-current liabilities other than provisions		
	Mortgage debt	171,596,658	197,229,572
	Deposits	2,363,064	2,434,413
		<u>173,959,722</u>	<u>199,663,985</u>
	Current liabilities other than provisions		
	Trade payables	786,435	225,257
	Payables to group enterprises	16,867,255	11,326,503
	Other payables	1,516,533	1,324,032
		<u>19,170,223</u>	<u>12,875,792</u>
	Total liabilities other than provisions	<u>193,129,945</u>	<u>212,539,777</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>724,538,295</u></u>	<u><u>794,141,429</u></u>

- 1 Accounting policies
- 2 Staff costs
- 8 Security and collateral
- 9 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Dividend proposed</u>	<u>Total</u>
Equity at 1 January 2022	5,000,000	589,977,289	47,981,950	642,959,239
Transfer through appropriation of loss	0	-30,876,295	18,104,823	-12,771,472
Dividend distributed	0	0	-53,981,950	-53,981,950
Proposed extraordinary dividend recognised under equity	0	-6,000,000	6,000,000	0
Equity at 1 January 2023	5,000,000	553,100,994	18,104,823	576,205,817
Transfer through appropriation of loss	0	-31,749,839	0	-31,749,839
Dividend distributed	0	0	-18,104,823	-18,104,823
Equity at 31 December 2023	5,000,000	521,351,155	0	526,351,155

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Ejendomsselskabet af Januar 2002 P/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Rent comprises rental income from the leases of properties. Rent is recognised on an accruals basis.

Rent is measured net of all types of discounts/rebates granted. Also, rent is measured net of VAT and other indirect taxes charged on behalf of third parties.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Property expenses', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's coreactivities, including gains on the sale of fixed assets.

Expenses, property

Includes costs associated with the operation and administration of investmentproperties, repairment and maintenance, property taxes and other expenses which are not paid by tenants.

Other external 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 statements at the amounts that concern the financial year. Net financials include interest income and expenses etc.

Tax

The company is not an individual taxpayer thus tax of the company's operating profit/loss is not included in the financial statement.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Investment property

On initial recognition, investment property is measured at cost. Investment property is subsequently measured at fair value, and the value adjustment for the year is recognised in the income statement under the item "Fair value adjustment of investment property". The fair value is based on the expected future cash flows for the investment property.

Investments

Other receivables comprises of deposits at Grundejernes Investeringsfond.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise bank balances.

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Provisions

Other provisions comprise expected maintenance liabilities in accordance with section 22 of the Danish Rent Act. Provisions are recognised when, as a result of past events, the Company has legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

The company is not an individual taxpayer thus tax of the company's operating profit/loss is not included in the financial statement.

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

2 Staff costs

The Company has no employees.

Financial statements 1 January - 31 December

Notes to the financial statements

3 Property, plant and equipment

DKK	<u>Investment property</u>
Cost at 1 January 2023	205,997,167
Additions	1,626,483
Disposals	<u>-16,129,778</u>
Cost at 31 December 2023	191,493,872
Revaluations at 1 January 2023	532,032,833
Value adjustments for the year	-41,012,956
Reversal of accumulated revaluation of disposals	<u>-45,843,749</u>
Revaluations at 31 December 2023	445,176,128
Carrying amount at 31 December 2023	<u><u>636,670,000</u></u>

The fair value adjustments in the profit and loss account includes gain on sale of properties DKK 18,334 thousand and fair value adjustment of DKK -41,013 thousand.

4 Investment property

The Company invests in rental property. Investment properties are recognised at fair value with value adjustment in the income statement, in accordance with the provisions in section 38 of the Danish Financial Statements Act.

Fair value estimation

The Company's management believes that the selected accounting policies, where investment properties are measured at fair value, provides the best presentation of the Company's assets and liabilities, the financial position, and the results of its operations.

The best documentation for the fair value of the Company's investment properties is current prices in an active market for similar investment properties. In the lack of such information, the fair value is determined within a range of probable calculated estimates of the fair value, defined as the value between a qualified willing buyer and a qualified willing seller based on the conditions on the balance sheet date.

The company has an ongoing divestment of condos when these become vacant. The valuation is based on a DCF-model where the most significant parameters are

- ▷ The latest gained sales prices
- ▷ Estimated annual sales of apartments
- ▷ Estimated growth in sales prices
- ▷ Rate of inflation
- ▷ WACC

Financial statements 1 January - 31 December

Notes to the financial statements

The valuation is based on a WACC of 6.24% (2022: 5.55%), annual sales of 7.23% (2022: 6.78%) of the portfolio, growth in sales prices 2.00% (2022: 2.00%), inflation rate of 2.00% (2022: 2.00%) and an average sales price per sqm of DKK 38,519 (2022: DKK 40,245). The portfolio is assumed to be sold over the next 18 years (2022: 19 years) with a decreasing number of sqm per year.

The valuation is sensitive to changes in the parameters and the valuation is based on a high degree of estimates.

The properties consist of condos primarily located in the central Copenhagen area. The valuation corresponds to an average price per sqm of DKK 27,117 (2022: DKK 28,965). The fair value corresponds to approx. 70% of the average sales prices.

If the WACC is increased 0.25% the value of the properties would be reduced by DKK 11,0 million and if WACC was reduced by 0.25% the value would be increased by DKK 11,3 million.

The fair value measurement is based on level 3 in the fair value hierarchy.

5 Investments

DKK	Other receivables
Cost at 1 January 2023	21,401,544
Disposals	1,043,409
Cost at 31 December 2023	22,444,953
Carrying amount at 31 December 2023	22,444,953

6 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 175,072 thousand falls due for payment after more than 5 years after the balance sheet date.

7 Provisions

Maintenance liabilities BRL § 22, DKK 5,057 thousand.

Maintenance liabilities related to BRL § 22 are expected to fall due within 2-5 years.

8 Security and collateral

As security for the Company's mortgage debt, the Company has provided security in its assets. The total carrying amount of these assets is DKK 677,683 thousand.

9 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Cornway Ltd.	Cyprus	Giannou Kranidioti & Spyrou Kyprianou, 1st Floor, Nicosia 1065 Cyprus