
Pasternak Jørgensen Holding ApS

Nyhavn 31B, 4. th., DK-1051 Copenhagen

Annual Report for 1 January - 31 December 2022

CVR No 27 23 67 31

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
30/6 2023

Kasper Pasternak
Jørgensen
Chairman of the General
Meeting



Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Pasternak Jørgensen Holding ApS for the financial year 1 January - 31 December 2022.

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

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In my opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 30 June 2023

Executive Board

Kasper Pasternak Jørgensen

Independent Auditor's Report

To the Shareholder of Pasternak Jørgensen Holding ApS

Opinion

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.

We have audited the Financial Statements of Pasternak Jørgensen Holding ApS for the financial year 1 January - 31 December 2022, 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' 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.

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 Financial 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, 30 June 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Flemming Eghoff

State Authorised Public Accountant

mne30221

Company Information

The Company

Pasternak Jørgensen Holding ApS
Nyhavn 31B, 4. th.
DK-1051 Copenhagen

CVR No: 27 23 67 31
Financial period: 1 January - 31 December
Incorporated: 1 July 2003
Financial year: 19th financial year
Municipality of reg. office: Copenhagen

Executive Board

Kasper Pasternak Jørgensen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Bankers

Nykredit Bank A/S
Kalvebod Brygge 47
1780 København V

Management's Review

Key activities

The Company's main activity is to own shares in subsidiaries.

Development in the year

The income statement of the Company for 2022 shows a profit of DKK 1,592,743, and at 31 December 2022 the balance sheet of the Company shows equity of DKK 34,155,342.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income Statement 1 January - 31 December

	Note	2022 DKK	2021 DKK
Gross profit/loss		-58.010	236.134
Income from investments in subsidiaries		1.413.931	565.254
Financial income	1	1.186.427	969.741
Financial expenses	2	-856.250	-697.776
Profit/loss before tax		1.686.098	1.073.353
Tax on profit/loss for the year	3	-93.355	-109.690
Net profit/loss for the year		1.592.743	963.663

Distribution of profit

Proposed distribution of profit

Reserve for net revaluation under the equity method	1.413.931	565.254
Retained earnings	178.812	398.409
	1.592.743	963.663

Balance Sheet 31 December

Assets

	Note	2022 DKK	2021 DKK
Investments in subsidiaries	4	24.704.625	22.490.050
Receivables from group enterprises		32.333.872	31.467.013
Other fixed asset investments		27.551	24.735
Fixed asset investments		57.066.048	53.981.798
Fixed assets		57.066.048	53.981.798
Receivables from group enterprises		5.836.645	5.891.083
Corporation tax receivable from group enterprises		731.648	530.981
Receivables		6.568.293	6.422.064
Cash at bank and in hand		4.528	796.560
Currents assets		6.572.821	7.218.624
Assets		63.638.869	61.200.422

Balance Sheet 31 December

Liabilities and equity

	Note	2022 DKK	2021 DKK
Share capital	5	125.000	125.000
Reserve for net revaluation under the equity method		18.098.840	16.593.163
Retained earnings		15.931.502	15.752.690
Equity		34.155.342	32.470.853
Provisions relating to investments in group enterprises		1.272.948	830.913
Provisions		1.272.948	830.913
Payables to group enterprises		24.442.532	24.832.248
Long-term debt	6	24.442.532	24.832.248
Payables to group enterprises	6	2.874.859	2.608.175
Corporation tax		617.222	10.792
Payables to group enterprises relating to corporation tax		145.836	230.329
Other payables		130.130	217.112
Short-term debt		3.768.047	3.066.408
Debt		28.210.579	27.898.656
Liabilities and equity		63.638.869	61.200.422
Contingent assets, liabilities and other financial obligations	7		
Accounting Policies	8		

Statement of Changes in Equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	125.000	16.593.163	15.752.690	32.470.853
Exchange adjustments relating to separate foreign legal entities	0	91.746	0	91.746
Net profit/loss for the year	0	1.413.931	178.812	1.592.743
Equity at 31 December	125.000	18.098.840	15.931.502	34.155.342

Notes to the Financial Statements

	2022 DKK	2021 DKK
1 Financial income		
Interest received from group enterprises	1.183.611	963.903
Other financial income	2.816	5.838
	1.186.427	969.741
2 Financial expenses		
Interest paid to group enterprises	825.746	689.159
Other financial expenses	30.504	8.617
	856.250	697.776
3 Tax on profit/loss for the year		
Current tax for the year	92.312	113.164
Adjustment of tax concerning previous years	1.043	-3.474
	93.355	109.690

Notes to the Financial Statements

	2022 DKK	2021 DKK
4 Investments in subsidiaries		
Cost at 1 January	2.874.032	2.874.032
Cost at 31 December	2.874.032	2.874.032
Revaluations at 1 January	16.593.163	18.153.912
Exchange adjustment	91.746	-126.003
Net profit/loss for the year	1.413.931	565.254
Dividend to the Parent Company	0	-2.000.000
Revaluations at 31 December	18.098.840	16.593.163
Equity investments with negative net asset value amortised over receivables	2.458.805	2.191.942
Equity investments with negative net asset value transferred to provisions	1.272.948	830.913
Carrying amount at 31 December	24.704.625	22.490.050

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Votes and ownership
Cortris ApS	Copenhagen	DKK 81.000	100%
TPR-Group ApS	Copenhagen	DKK 125.000	100%
TPRG Group ApS	Copenhagen	DKK 80.000	100%
Pasternak Jørgensen Management Pvt Ltd	New Delhi, India	INR 100.000	95%
Pasternak Jørgensen Management ApS	Copenhagen	DKK 125.000	100%
Cortris Nordic ApS	Copenhagen	DKK 51.000	100%
Pasternak Jørgensen IP ApS	Copenhagen	DKK 40.000	100%
Strandgården P. J. ApS	Copenhagen	DKK 40.000	100%
P. Jørgensen Management LLC	Orlando, USA	USD 1	100%

Notes to the Financial Statements

5 Share capital

The share capital consists of 125 shares of a nominal value of DKK 1,000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

6 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>2022</u> DKK	<u>2021</u> DKK
Payables to group enterprises		
Between 1 and 5 years	<u>24.442.532</u>	<u>24.832.248</u>
Long-term part	<u>24.442.532</u>	<u>24.832.248</u>
Other short-term debt to group enterprises	<u>2.874.859</u>	<u>2.608.175</u>
	<u>27.317.391</u>	<u>27.440.423</u>

Notes to the Financial Statements

7 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable by the Group amounts to DKK 617,222. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The company has provided guarantee for PJ Properties ApS's credit facilities of TDKK 1,050, as well as for TPR-Group ApS's credit facilities of TDKK 16,043.

The company has provided guarantee for PJ Properties ApS's mortgage loans. The remaining debt amounts to TDKK 96,354 on 31 December 2022.

The company has issued a letter of support to the subsidiaries Cortris Nordic ApS and Strandgården P.J. ApS' creditors. In addition, a letter of support has been issued to TPRG Group ApS's creditors, however limited to TDKK 1,000. These letters of support are valid until the general meetings in 2024.

Notes to the Financial Statements

8 Accounting Policies

The Annual Report of Pasternak Jørgensen Holding ApS for 2022 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 2022 are presented in DKK.

Consolidated financial statements

With reference to section 110 of the Danish Financial Statements Act, no consolidated financial statements are prepared.

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.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Notes to the Financial Statements

8 Accounting Policies (continued)

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income Statement

Revenue

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and other external expenses.

Income from investments in subsidiaries

The item "Income from investments in subsidiaries" in the income statement includes the proportionate share of the profit for the year.

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 wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

8 Accounting Policies (continued)

Balance Sheet

Investments in subsidiaries

Investments in subsidiaries are recognised and measured under the equity method.

The item “Investments in subsidiaries” in the balance sheet include the proportionate ownership share of the net asset value of the enterprises calculated on the basis of the fair values of identifiable net assets at the time of acquisition.

The total net revaluation of investments in subsidiaries is transferred upon distribution of profit to “Reserve for net revaluation under the equity method” under equity. The reserve is reduced by dividend distributed to the Parent Company and adjusted for other equity movements in the subsidiaries.

Subsidiaries with a negative net asset value are recognised at DKK 0. Any legal or constructive obligation of the Parent Company to cover the negative balance of the enterprise is recognised in provisions.

Fixed asset investments

Fixed asset investments, which consist of shares and equity investments recognized under fixed assets, include unlisted shares.

Investments which are not traded in an active market are measured at the lower of cost and recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of long-term receivables and is measured at amortized cost.

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.

Notes to the Financial Statements

8 Accounting Policies (continued)

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.