

OPP Hobro Tinglysningsret A/S

c/o DEAS A/S
Dirch Passers Allé 76
2000 Frederiksberg

CVR No. 30484428

Annual Report 2023

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 6 March 2024

Lars Olaf Larsen
Chairman

OPP Hobro Tinglysningsret A/S

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OPP Hobro Tinglysningsret A/S

Management's Statement

Today, Management has considered and adopted the Annual Report of OPP Hobro Tinglysningsret A/S for the financial year 1 January 2023 - 31 December 2023.

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

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

In our opinion, the 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.

Frederiksberg, 6 March 2024

Executive Board

Lars Olaf Larsen
Manager

Supervisory Board

Michelangelo Leto
Chairman

Cyril J. L. S. Baseden
Member

Martin Rauhe Pedersen
Member

OPP Hobro Tinglysningsret A/S

Independent Auditors' Report

To the shareholders of OPP Hobro Tinglysningsret A/S

Opinion

We have audited the financial statements of OPP Hobro Tinglysningsret A/S for the financial year 1 January 2023 - 31 December 2023, which comprise an 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 Company's financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023 in accordance with the Danish Financial Statements Act.

Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility 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 responsibility 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.

The auditor's responsibility 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.

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 risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 whether the accounting policies used and the reasonableness of accounting estimates

Independent Auditors' Report

and related disclosures made by Management.

- * Conclude on the appropriateness of Management's use of the going concern basis in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists relating 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 auditors' 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 auditors' 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 note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on 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, 6 March 2024

EY Godkendt Revisionspartnerselskab

CVR-no. 30700228

Henrik Reedtz
State Authorised Public Accountant
mne24830

Kennet Hartmann
State Authorised Public Accountant
mne40036

OPP Hobro Tinglysningsret A/S

Company details

Company	OPP Hobro Tinglysningsret A/S c/o DEAS A/S Dirch Passers Allé 76 2000 Frederiksberg
Telephone	70 30 20 20
CVR No.	30484428
Date of formation	20 March 2007
Financial year	1 January 2023 - 31 December 2023
Supervisory Board	Michelangelo Leto Cyril J. L. S. Baseden Martin Rauhe Pedersen
Executive Board	Lars Olaf Larsen
Administration company	DEAS A/S Dirch Passers Allé 76 2000 Frederiksberg
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36 2000 Frederiksberg CVR-no.: 30700228

OPP Hobro Tinglysningsret A/S

Management's Review

The Company's principal activities

The Company is an OPP project consortium consisting of OPP HoldCo ApS (33%) and IPP (OPP Denmark) ApS (67%). The Company's main activities consist of construction, operation and maintenance of an office building for use by the Land Registry Office in Hobro.

Development in the activities and the financial situation

The company was founded on 20 March 2007 with the name OPP Saxo A/S for use in tendering for OPP projects.

At the end of 2007, the company entered into an OPP contract with the Danish Building Authority for the construction, financing, operation and maintenance of an office building for use by the Land Registry Office in Hobro and in that connection changed its name to OPP Hobro Tinglysningsret A/S.

The completed project was handed over in 2009, after which the company will handle the operation for 20 years. Negotiations have begun with the Danish Building Authority regarding the extension of the contract after the expiry of the non-cancellation period.

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of tDKK 3.717 and the Balance Sheet at 31 December 2023 a total of tDKK 76.145 and an equity of tDKK 2.527.

The Company has not had any employees in the financial year.

The result is deemed satisfying and as expected.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

OPP Hobro Tinglysningsret A/S

Accounting Policies

Reporting Class

The annual report of OPP Hobro Tinglysningsret A/S for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

Income is recognised in the income statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit/loss

The company has chosen IAS 18 as an interpretation contribution for the recognition of revenue.

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, operating costs, administration costs and depreciation.

Revenue includes the sale of services in connection with the operation of real estate, etc.

Revenue relating to services is recognized in the income statement as the service is provided delivered to the buyer, when the revenue can be reliably estimated, and payment is probable.

Received payments of operating contributions relating to subsequent financial years are entered under the accounting item prepayments received from customers.

Revenue is measured excluding VAT, taxes and discounts in connection with the sale.

Operating costs include both direct and indirect costs, that incurred to achieve the year revenue.

Operating costs consist of, among other things, materials, consumables and provisions for losses on debtors etc.

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Accounting Policies

Administration costs include administration fees and office costs, etc.

Financial income and expenses

Financial income and expenses include interests, realised and unrealised capital gains and losses regarding debts, interest from accounts receivables and surcharges and allowances concerning corporation taxes.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity.

Current and deferred tax regarding changes in equity is recognised directly in equity.

Balance sheet

Investment property

The property Hobro Tinglysningsret is recognized as a tangible fixed asset in the annual accounts as a result of the OPP contract with the Slots- og Ejendomsstyrelsen being classified as an operational leasing agreement.

On initial recognition, investment properties are measured at cost, which comprises the cost of the property and any directly related expenses.

Investment properties are subsequently measured at fair value. The fair value of the properties is reassessed annually based on the return-based valuation model.

The fair value is determined based on the net return on commercial properties located in the same geographical area as the properties. Net return is calculated taking into consideration the existing leases, the state of repair of the properties and the budget for the next year.

Net return is calculated as total rental income less direct costs for property taxes, insurance, maintenance and housing management incurred on the investment properties divided by the carrying amounts of the investment properties less deposits.

Change in fair value are recognised in the income statement under value adjustment of investment properties.

As the investment properties are measured at fair value, they are not depreciated.

Receivables

Receivables are measured at amortized cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and fixed capital corresponding to a year and a half of operating expenses and maintenance of the property according to the OPP project's original budget model.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the balance sheet as calculated tax on taxable income for the year, adjusted for paid tax on account etc.

Deferred tax liabilities and deferred tax assets are measured according to the balance sheet oriented debt method and includes all differences between accounting and tax related values of assets and liabilities. The calculation is based on the planned use of the asset or the settlement of the liability and the corresponding tax rules.

Deferred tax assets, including tax losses eligible to be carried forward, are recognized with the value,

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Accounting Policies

at which they are expected to be realized. This can be done either by offsetting in deferred tax obligations, or by equalization in tax of future earnings in the company. Deferred tax assets are listed on a separate line under current assets.

Deferred tax is measured on the basis of the tax rules and tax rates, that, according to the legislation, are applicable when the deferred tax is expected released as current tax. In the event of a shift in deferred tax as a result of changes in tax rates, the effect is recognized in the income statement, unless these are items that were previously recognized in equity.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities are measured at net realisable value.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

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Income Statement

	Note	2023 tDKK.	2022 tDKK.
Gross profit		5.222	4.793
Other finance income		97	19
Finance expences		-1.151	-1.225
Profit from ordinary activities before tax		4.169	3.587
Tax expense on ordinary activities		-451	-792
Profit		3.717	2.795
Proposed distribution of profit			
Proposed dividend recognized in equity		250	4.523
Extraordinary dividend recognized in equity		2.088	0
Transferred result		1.379	-1.728
Distribution of profit		3.717	2.795

OPP Hobro Tinglysningsret A/S**Balance Sheet as of 31 December**

	Note	2023 tDKK.	2022 tDKK.
Investment property	1	73.000	73.000
Property, plant and equipment		73.000	73.000
Fixed assets		73.000	73.000
Other short-term receivables		133	11
Receivables		133	11
Cash and cash equivalents	2	3.011	6.533
Current assets		3.145	6.543
Assets		76.145	79.543

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Balance Sheet as of 31 December

	Note	2023 tDKK.	2022 tDKK.
Contributed capital		700	700
Retained earnings		3.665	198
Proposed dividend recognised in equity		250	4.523
Paid extraordinary dividend recognised in equity		-2.088	0
Equity		2.527	5.420
Deferred tax		1.647	1.727
Provisions		1.647	1.727
Debt to mortgage institutions		69.235	69.980
Long-term liabilities other than provisions	3	69.235	69.980
Short-term debt to mortgage institutions		1.117	1.229
Prepayments received from customers		28	34
Accounts payable		50	114
Corporation tax from jointly taxed companies		1.424	892
Other payables		117	147
Short-term liabilities other than provisions		2.735	2.416
Liabilities other than provisions within the business		71.971	72.396
Liabilities and equity		76.145	79.543
Contingent liabilities	4		
Collaterals and securities	5		

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Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2023	700	197	4.523	5.420
Dividend paid	0	0	-4.523	-4.523
Profit (loss)	0	3.468	250	3.718
Extraordinary dividend paid	0	-2.088	0	-2.088
Equity 31 December 2023	700	1.577	250	2.527

The share capital has remained unchanged for the last 5 years.

OPP Hobro Tinglysningsret's share capital is nominally tDKK 700, corresponding to 699,999 shares. shares with a nominal value of DKK 1.

The company's share capital is pledged to Aviva Investors Global Services Limited as security for debt.

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Notes

	2023	2022
1. Investment property		
Cost at the beginning of the year	67.845	67.845
Cost at the end of the year	67.845	67.845
Revaluations at the beginning of the year	5.155	5.155
Revaluations at the end of the year	5.155	5.155
Carrying amount at the end of the year	73.000	73.000

The property is an office building in Hobro that is leased to the Danish Building Authority.

The lease is irrevocable during the operating period. The PPP contract expires on 31 December 2027. Negotiations have begun with the Danish Building Authority regarding the extension of the contract after the expiry of the non-cancellation period.

The company measures the investment property at fair value on the balance sheet date.

The fair value is calculated on the basis of the DCF-based valuation method. The fair value calculation for the individual property is based on management-approved budget, including 10-year operating and maintenance budget and estimate for the terminal year.

The fair value calculation of the investment property according to the DCF model is based on its calculation individual period's net cash flow in a 10-year budget period, which is then discounted back and by the terminal value, where the expected and normalized long-term earnings are determined and valued according to the return-based valuation model.

The company's management has determined the return requirement based on the market conditions for the individual property with an emphasis on rental value, location, access to infrastructure, contractual conditions, age, state of maintenance as well as that general interest rate level.

A return requirement of 7.0% at the end of 2023 against 6.1% at the end of 2022 has been used.

The discount factor used to calculate the present value is the rate of return for the individual property plus 2.00% as a correction for long-term inflation. An increase in the discount factor by 0.25% points will reduce the total fair value by DKK 2,400,423.

2. Cash and cash equivalents

Cash and cash equivalents include restricted cash and cash equivalents of tDKK 1,500, which are guaranteed for "maintenance reserve accounts" at Nordea.

3. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Debt to credit institutions	69.235	1.117	0
	69.235	1.117	0

4. Contingent liabilities

The company is part of a Danish joint taxation with IPP (OPP Denmark) ApS as the management company. The company is therefore liable in accordance with the rules of the Corporation Tax Act in this regard from and including the financial year 2021 for income taxes etc. for the jointly taxed companies and from 15 December 2021 also for any obligations to contain withholding tax on interest, royalties and dividends for the jointly taxed companies.

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Notes

5. Collaterals and securities

To secure debts to credit institutions of tDKK 71,843, the following securities have been established in accordance with separate agreements:

Transport in cash accounts, including operating account tDKK 1,511 and maintenance reserve account tDKK 1,500.

Direct agreement with the Danish Building Authority on entry into the company's rights according to the project agreements.

Aviva Investors Global Services Limited is listed on the company's insurance policies.

Transport in Facility Management agreement concluded with DEAS A/S.

Deposited mortgage on the property located at Majsmarken 5, 9500 Hobro, with an accounting value of tDKK 73,000.