Grant Thornton

Grant Thornton
Statsautoriseret
Revisionspartnerselskab

Stockholmsgade 45
2100 København Ø
CVR-nr. 34209936

T (+45) 33 110 220

www.grantthornton.dk

48/50 Rue Pierre Charron - 1/3 Rue Cerisoles Paris VIII ApS

c/o Harboe og B. Godkendt Revisionsanpartsselskab,
Lersø Parkallé 107, 2100 Copenhagen

Company reg. no. 30 54 27 46

Annual report

1 March 2020 - 28 February 2021

The annual report was submitted and approved by the general meeting on the 15 September 2021.

Benoit Marie M. Quertemont
Chairman of the meeting

Contents

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

Management's report

Today, the executive board has presented the annual report of 48/50 Rue Pierre Charron - 1/3 Rue Cerisoles Paris VIII ApS for the financial year 1 March 2020 - 28 February 2021.

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

We consider the accounting policies appropriate and, in our opinion, the financial statements provide a fair presentation of the company’s assets, equity and liabilities, and financial position at 28 February 2021 and of the company’s results of activities in the financial year 1 March 2020 – 28 February 2021.

We are of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Copenhagen, 15 September 2021

Executive board

Sebastien Boudreau	Benoit Marie M. Quertemont

Independent auditor's report

To the shareholder of 48/50 Rue Pierre Charron - 1/3 Rue Cerisoles Paris VIII ApS

Auditor's report on the financial statements

Opinion

We have audited the financial statements of 48/50 Rue Pierre Charron - 1/3 Rue Cerisoles Paris VIII ApS for the financial year 1 March 2020 to 28 February 2021, which comprise accounting policies, profit and loss account, balance sheet, statement of changes in equity and notes. 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 assets, liabilities and financial position at 28 February 2021 and of the results of the company's operations for the financial year 1 March 2020 to 28 February 2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section “Auditor’s responsibilities for the audit of the financial statements”. We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the financial statements

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

In preparing the financial statements, management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the financial statements, unless management either intends to liquidate the company or to cease operations, or if it 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response 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 the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the 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 by management and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's preparation of the financial statements being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about 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 in the notes, 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the financial statements, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management commentary is in accordance with the financial statements and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management commentary.

Reporting in accordance with other legislation and regulations

In violation of the Danish Financial Statements Act, the company has not prepared the annual report in a timely manner, whereby the management may incur liability.

Copenhagen, 15 September 2021

Grant Thornton
State Authorised Public Accountants
Company reg. no. 34 20 99 36

Morten Grønbek
State Authorised Public Accountant
mne34491

Company information

The company	48/50 Rue Pierre Charron - 1/3 Rue Cerisoles Paris VIII ApS c/o Harboe og B. Godkendt Revisionsanpartsselskab Lersø Parkallé 107 2100 København Ø	
	Company reg. no.	30 54 27 46
	Established:	29 February 2008
	Domicile:	Copenhagen
	Financial year:	1 March - 28 February
Executive board	Sebastien Boudreau Benoit Marie M. Quertemont	
Auditors	Grant Thornton, Statsautoriseret Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Parent company	Foncière du Triangle d'Or ApS	

Management commentary

The principal activities of the company

The company's main activity consists in any kind of financial investment, including, but not limited to buy, own, rent, manage and sell real estate, and any other similar business in accordance with the decision of the executive board.

Uncertainties as to recognition or measurement

The company's properties is primarily development properties and it is therefore difficult to provide a reliable basis for the valuation as the present operational result does not reflect the market value of the properties. The measurement of the company's properties is therefore subject to uncertainty.

Development in activities and financial matters

The gross profit for the year totals EUR 1.069.000 against EUR 374.000 last year. Income or loss from ordinary activities after tax totals EUR 6.335.000 against EUR 588.000 last year. Management considers the net profit or loss for the year satisfactory.

We draw attention to the description of going concern in note 1 to the Financial Statements.

Financial resources

The company's cash reserve is limited, however, it is management's expectation that a positive cash flow will be created through renting out and/or sale of the company's property, whereby the company will be able to meet its liabilities.

With a view to making adequate operating cash funds available, the ultimate Parent Company Paris Premier Properties SARL has issued a letter of support to the Company, which is in force until the 28 February 2022. Based on this, it is Management’s assessment that the Company’s Annual Report may be presented under the going concern assumption.

Investments

The company's investment property is measured at fair value. The measurement of fair value is based on estimates of existing leases, and current market rent for similar properties, in the same location and condition. The return rate used is significant for the valuation of the company's investment property.

Tax

The company's investment property is established as a branch located in France under the current tax laws. In this regard, the company has acquired an external evaluation of the tax conditions in France. The management concluded, based on the evaluation, that the company does not have any tax obligations which are not included in the balance.

Based on the above, it is the management's overall expectation that the company can run its day to day business with a satisfactory income in the coming year.

Accounting policies

The annual report for 48/50 Rue Pierre Charron - 1/3 Rue Cerisoles Paris VIII ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in euro (EUR). The accounting period was changed in the financial year before last and, consequently, the comparative figures in the income statement comprise the period 1 October 2019 – 29 February 2020.

Recognition and measurement in general

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

Income statement

Gross profit

Gross profit comprises rental income and other external costs.

Rental income from investment property

Rental income comprises income from the lease of property and from charged joint costs, and it is recognised in the profit an loss account for the period relating to the lease payment

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Accounting policies

Other external expenses
Other external expenses comprise expenses for administration and operation of the company's investment properties.

Value adjustment of investment property
Value adjustment of investment property comprises value adjustments of properties at fair value and gain or loss from disposal of properties.

Financial income and expenses
Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

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 taxation in France due to the activity's placement in Paris.

The current French 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

Impairment loss relating to non-current assets
The carrying amount of both intangible and tangible fixed assets are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Accounting policies

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Investment property

At the first recognition, investment property is measured at cost, comprising the cost of the property and directly attached costs, if any.

On subsequent recognition, investment properties are measured at fair value, corresponding to the amount the property would be able to sell for to an independent buyer on the balance sheet date. The fair value are measured using a return-based model, using a capitalized value of the expected future cash flows for the investment property. The calculation is based on the budgetted net earnings for the coming year, adjusted to normal earnings and by using a rate of return, that reflects the current rate of return for similar investment properties.

Value adjustments are recognised in the profit and loss account in the item "Value adjustments of investment property".

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value. The company has chosen to use IAS 39 as a basis for interpretation when recognising impairment of financial assets, which means that impairments must be made to offset losses where an objective indication is deemed to have occurred that an account receivable or a portfolio of accounts receivable is impaired.If an objective indication shows that an individual account receivable has been impaired, an impairment takes place at individual level.

Available funds

Available funds comprise cash at bank.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

Accounting policies

According to the rules of joint taxation, 48/50 Rue Pierre Charron - 1/3 Rue Cerisoles Paris VIII ApS is unlimitedly, jointly, and severally liable towards the French tax authorities for the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, 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. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement

Amounts concerning 2020/21: EUR.
Amounts concerning 2019/20: EUR thousand.

Note		1/3 2020 - 28/2 2021	1/10 2019 - 29/2 2020
	Gross profit	**1.068.773**	**374**
4	Value adjustment of investment property	7.567.242	0
	Operating profit	**8.636.015**	**374**
	Other financial income	0	1
	Other financial costs	-1.287.215	-381
	Pre-tax net profit or loss	**7.348.800**	**-6**
3	Tax on net profit or loss for the year	-1.013.952	594
	Net profit or loss for the year	**6.334.848**	**588**
	Proposed appropriation of net profit:		
	Transferred to retained earnings	6.334.848	588
	Total allocations and transfers	**6.334.848**	**588**

Statement of financial position

Amounts concerning 2021: EUR.
Amounts concerning 2020: EUR thousand.

Note	Assets	28/2 2021	29/2 2020
	Non-current assets		
4	Investment property	154.500.000	146.000
	Total property, plant, and equipment	154.500.000	146.000
	Total non-current assets	**154.500.000**	**146.000**
	Current assets		
	Receivables from group enterprises	711.186	0
	Tax receivables from group enterprises	134.249	0
	Other receivables	2.558.424	1.139
	Total receivables	3.403.859	1.139
	Cash on hand and demand deposits	294.587	337
	Total current assets	**3.698.446**	**1.476**
	Total assets	**158.198.446**	**147.476**

Statement of financial position

Amounts concerning 2021: EUR.
Amounts concerning 2020: EUR thousand.

Equity and liabilities

Note		28/2 2021	29/2 2020
	Equity		
	Share capital	4.159.800	4.160
	Results brought forward	77.674.600	71.340
	Total equity	**81.834.400**	**75.500**
	Provisions		
	Provisions for deferred tax	13.491.676	12.343
	Total provisions	**13.491.676**	**12.343**
	Liabilities other than provisions		
	Mortgage debt	52.184.846	52.068
5	Total long term liabilities other than provisions	52.184.846	52.068
	Bank loans	75	0
	Payables to group enterprises	9.906.604	7.046
	Other payables	780.845	519
	Total short term liabilities other than provisions	10.687.524	7.565
	Total liabilities other than provisions	**62.872.370**	**59.633**
	Total equity and liabilities	**158.198.446**	**147.476**

1 Uncertainties concerning recognition and measurement

6 Charges and security

7 Contingencies

Statement of changes in equity

All amounts in EUR.

	Contributed capital	Retained earnings	Total
Equity 1 October 2019	4.159.800	70.752.073	74.911.873
Retained earnings for the year	0	587.679	587.679
Equity 1 March 2020	4.159.800	71.339.752	75.499.552
Retained earnings for the year	0	6.334.848	6.334.848
	4.159.800	**77.674.600**	**81.834.400**

Notes

Amounts concerning 2020/21: EUR.
Amounts concerning 2019/20: EUR thousand.

1. Uncertainties concerning recognition and measurement

The company's cash reserve is limited, however, it is management's expectation that a positive cash flow will be created through renting out and/or sale of the company's property, whereby the company will be able to meet its liabilities.

With a view to making adequate operating cash funds available, the ultimate Parent Company Paris Premier Properties SARL has issued a letter of support to the Company, which is in force until the 28 February 2022. Based on this, it is Management's assessment that the Company's Annual Report may be presented under the going concern assumption.

	1/3 2020 - 28/2 2021	1/10 2019 - 29/2 2020
2. Staff costs		
Average number of employees	2	2

None of the employees have been remunerated (2018-19: 0 t.euro).

3. Tax on net profit or loss for the year		
Tax of the results for the year	-134.249	0
Adjustment of deferred tax for the year	1.148.201	-594
	1.013.952	**-594**

Notes

Amounts concerning 2021: EUR.
Amounts concerning 2020: EUR thousand.

		28/2 2021	29/2 2020
4.	**Investment property**		
	Cost 1 March	49.799.602	49.800
	Additions during the year	932.758	0
	Cost 28 February	**50.732.360**	**49.800**
	Fair value adjustment 1 March	96.200.398	96.200
	Adjustments to fair value for the year	7.567.242	0
	Fair value adjustment 28 February	**103.767.640**	**96.200**
	Carrying amount, 28 February	**154.500.000**	**146.000**

The company's investment properties consists of combined commercial and residential property of a total of 6.283 square meters placed in the center of Paris. The investment properties are, as described in the used accounting policies, measured at fair value by using a return-based model.

The properties occupancy rate is 41% as per 28 February 2021 (2019/20: 40%). In valuating the property a rental income for the not rented square meters have been applied according to the market rent in the area.

The required rate of return has been determined on the basis of market statistics, completed transactions, and management's knowledge of the property market in general. When determining the required rate of return, parameters such as type (residence, office, shop, etc.), location, age, state of maintenance, duration of rental agreements, and tenant credit quality, etc., are considered.

Compared to the previous financial year, the methods of measurement remain unchanged.

The determination of the market value (carrying value) is based on an inverval ranging between 2,75% - 3,00% rate of return (2019/20: 2,75%).

Notes

Amounts concerning 2020/21: EUR.
Amounts concerning 2019/20: EUR thousand.

5. Liabilities

	Debt in total 28 Feb 2021	Short-term part of long-term liabilities	Long-term debt 28 Feb 2021	Outstanding debt after 5 years
Mortgage debt	52.184.846	0	52.184.846	0
	52.184.846	**0**	**52.184.846**	**0**

6. Charges and security

The company's property with a booked value of t.EUR 146.000 has been pledged as collatoral for the company's mortage debt of t.EUR 52.185.

Furthermore, the company's property has been pledged as intra-group collatoral for the group mortgage loans with a total booked value of t.EUR 285.366, and a corresponding booked value of group properties of t.EUR 877.000, also pledged for the group mortgage loans.

7. Contingencies

Joint taxation

Foncière du Triangle d'Or ApS, company reg. no 30542703 being the administration company, the company is subject to the French 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 French 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.