

66 Rue Pierre Charron Paris VIII ApS
c/o Harboe og B. Godkendt Revisionsanpartsselskab, Lersø Parkallé 107, 2100 København
Ø

Company reg. no. 30 98 90 31

Annual report

1 October 2019 - 29 February 2020

The annual report was submitted and approved by the general meeting on the 30 October 2020.



Mads Harboe Nørring
Chairman of the meeting

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Notes to users of the English version of this document:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that EUR 146.940 corresponds to the English amount of EUR 146,940, and that 23,5 % corresponds to 23.5 %.

Management's report

The executive board has today presented the annual report of 66 Rue Pierre Charron Paris VIII ApS for the financial year 1 October 2019 to 29 February 2020.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 29 February 2020 and of the company's results of its activities in the financial year 1 October 2019 to 29 February 2020.

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

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

København Ø, 30 October 2020

Executive board



Sebastien Boudreau



Mads Harboe Nørring

Independent auditor's report

To the shareholder of 66 Rue Pierre Charron Paris VIII ApS

Opinion

We have audited the annual accounts of 66 Rue Pierre Charron Paris VIII ApS for the financial year 1 October 2019 to 29 February 2020, which comprise accounting policies, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 29 February 2020 and of the results of the company's operations for the financial year 1 October 2019 to 29 February 2020 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 annual accounts". 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.

Material uncertainties concerning the enterprise's ability to continue as a going concern

Without qualifying our opinion, we draw attention to note 1 in which the management describes the company's financial situation. We concur with the management's description of the financial situation.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 1 in which the management describes the uncertainty associated with the valuation of the company's investment properties. We concur with the management's description of the uncertainties and the accounting treatment.

The management's responsibilities for the annual accounts

The management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. The 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 annual accounts, the 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 annual accounts, unless the management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 annual accounts.

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 annual accounts, 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 the management and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's preparation of the annual accounts 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 annual accounts 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 annual accounts, including the disclosures in the notes, and whether the annual accounts 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.

Independent auditor's report

Statement on the management's review

The management is responsible for the management's review.

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

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts 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's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts 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's review.

Copenhagen, 30 October 2020

Grant Thornton

State Authorised Public Accountants
Company reg. no. 84 20 99 36



Morten Grønbech
State Authorised Public Accountant
mne34491

Company information

The company

66 Rue Pierre Charron Paris VIII ApS
c/o Harboe og B. Godkendt Revisionsanpartsselskab
Lersø Parkallé 107
2100 København Ø

Company reg. no. 30 98 90 31
Established: 26 October 2007
Domicile: Copenhagen
Financial year: 1 October - 29 February

Executive board

Sebastien Boudreau
Mads Harboe Nørring

Auditors

Grant Thornton, Statsautoriseret Revisionspartnerselskab
Stockholmsgade 45
2100 København Ø

Parent company

Foncière du Triangle d'Or ApS

Financial highlights

EUR in thousands.	<u>2019/20</u>	<u>2018/19</u>	<u>2017/18</u>	<u>2016/17</u>	<u>2015/16</u>
Profit and loss account:					
Gross profit	595	-6.628	692	-1.200	728
Results from operating activities	6.595	7.372	12.692	11.863	42.844
Net financials	-305	-1.412	-1.593	-1.653	-1.712
Results for the year	6.245	3.993	7.155	6.790	27.597
Balance sheet:					
Balance sheet sum	197.428	191.565	176.966	166.849	155.107
Equity	74.283	68.038	64.045	56.890	50.100
Employees:					
Average number of full time employees	2	2	2	2	2
Key figures in %:					
Acid test ratio	2,3	2,5	1,0	8,1	10,5
Solvency ratio	37,6	35,5	36,2	34,1	32,3
Return on equity	8,8	6,0	11,8	12,7	76,0

The calculation of key figures and ratios follow the Danish Association of Finance Analysts' recommendations.

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 property 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 property. The measurement of the company's properties is therefore subject to uncertainty.

Development in activities and financial matters

The results from ordinary activities after tax are EUR 6.245 against EUR 3.993 last year. The management consider the results as expected.

The company's investment properties 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 discount rate used is significant for the valuation of the company's investment properties.

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 properties, whereby the company will be able to meet its liabilities. Further, the company's parent company has provided a letter of support, expiring 28 February 2021, in which they declare to ensure that there will be sufficient funds in the company to cover its current operations.

The company's investment properties 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.

Special risks

Environmental issues

The company has in our opinion no special impact on the external environment and therefore no specific environmental policy.

Know how resources

The activity of the company does not require large know how resources and therefore the company has no knowledge resource or research and development activities.

Management commentary

The expected development

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.

Events subsequent to the financial year

No events have occurred after the balance sheet date which could significantly affect the company's and the parent company's financial position.

Accounting policies

The annual report for 66 Rue Pierre Charron Paris VIII ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class C enterprises (medium sized enterprises).

The accounting policies used are unchanged compared to last year, and the annual report is presented in euro (EUR). The accounting period was changed in the current financial year and comprises the period 1 October 2019 to 29 February 2020. The comparative figures appearing from the profit and loss account comprise the period 1 October 2018 to 30 September 2019.

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement for the enterprise has been prepared, as the relevant information is included in the consolidated annual accounts of Foncière du Triangle d'Or ApS.

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

The gross profit comprises rental income and other external expenses.

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 and loss account for the period relating to the lease payment.

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.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Net financials

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, etc. Financial income and expenses are recognised in the profit and loss account with the amounts that concerns the financial year.

Tax of the results for the year

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

The company is subject to 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

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".

Accounting policies

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Available funds

Available funds comprise cash at bank.

Corporate tax and deferred tax

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

According to the rules of joint taxation, 66 Rue Pierre Charron Paris VIII ApS is unlimited, jointly and severally liable towards the French tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry-over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities

Financial liabilities related to borrowings are recognised at the received proceeds. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

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

Income statement

Amounts concerning 2019/20: EUR.

Amounts concerning 2018/19: EUR thousand.

<u>Note</u>	1/10 2019 - 29/2 2020	1/10 2018 - 30/9 2019
Gross profit	595.077	-6.628
5 Value adjustment of investment property	6.000.000	14.000
2 Staff costs	0	0
Operating profit	6.595.077	7.372
Other financial costs	-304.765	-1.412
Pre-tax net profit or loss	6.290.312	5.960
3 Tax on net profit or loss for the year	-45.679	-1.967
4 Net profit or loss for the year	6.244.633	3.993

Statement of financial position

Amounts concerning 2020: EUR.

Amounts concerning 2019: EUR thousand.

Assets		
Note	<u>29/2 2020</u>	<u>30/9 2019</u>
Non-current assets		
5 Investment property	196.000.000	190.000
Total property, plant, and equipment	<u>196.000.000</u>	<u>190.000</u>
Total non-current assets	<u>196.000.000</u>	<u>190.000</u>
Current assets		
Trade receivables	1.233.657	1.084
Other receivables	53.757	24
Total receivables	<u>1.287.414</u>	<u>1.108</u>
Cash on hand and demand deposits	<u>141.002</u>	<u>457</u>
Total current assets	<u>1.428.416</u>	<u>1.565</u>
Total assets	<u>197.428.416</u>	<u>191.565</u>

Statement of financial position

Amounts concerning 2020: EUR.

Amounts concerning 2019: EUR thousand.

Equity and liabilities		
Note	29/2 2020	30/9 2019
Equity		
6 Share capital	100.000	100
7 Results brought forward	74.182.849	67.938
Total equity	74.282.849	68.038
Provisions		
8 Provisions for deferred tax	22.910.760	22.865
Total provisions	22.910.760	22.865
Liabilities other than provisions		
Mortgage debt	37.834.000	38.575
9 Total long term liabilities other than provisions	37.834.000	38.575
Payables to group enterprises	61.679.025	54.888
Other payables	721.782	7.199
Total short term liabilities other than provisions	62.400.807	62.087
Total liabilities other than provisions	100.234.807	100.662
Total equity and liabilities	197.428.416	191.565

1 Financial Statement uncertainties

10 Charges and security

11 Contingencies

Statement of changes in equity

EUR thousand.

	<u>Share capital</u>	<u>Results brought forward</u>	<u>Total</u>
Equity 1 October 2018	100	63.945	64.045
Retained earnings for the year	0	3.993	3.993
Equity 1 October 2019	100	67.938	68.038
Retained earnings for the year	0	6.245	6.245
	100	74.183	74.283

Notes

Amounts concerning 2019/20: EUR.

Amounts concerning 2018/19: EUR thousand.

1. Financial Statement uncertainties

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 selling of the company's property, whereby the company will be able to meet its liabilities. Further, the company's parent company has provided a letter of support, expiring 28 February 2021, in which they declare to ensure that there will be sufficient funds in the company to cover its current operations.

The company's property is primarily development property 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 property.

	1/10 2019 - 29/2 2020	1/10 2018 - 30/9 2019
2. Staff costs		
Average number of employees	<u>2</u>	<u>2</u>
None of the employees have been remunerated (2018-19: 0 t.euro).		
3. Tax on net profit or loss for the year		
Tax on net profit or loss for the year	0	0
Adjustment of deferred tax for the year	<u>45.679</u>	<u>1.967</u>
	<u>45.679</u>	<u>1.967</u>
4. Proposed distribution of the results		
Allocated to results brought forward	<u>6.244.633</u>	<u>3.993</u>
Distribution in total	<u>6.244.633</u>	<u>3.993</u>

Notes

Amounts concerning 2020: EUR.

Amounts concerning 2019: EUR thousand.

	<u>29/2 2020</u>	<u>30/9 2019</u>
5. Investment property		
Cost 1 October	75.958.375	75.958
Additions during the year	0	0
Disposals during the year	<u>0</u>	<u>0</u>
Cost 29 February	<u>75.958.375</u>	<u>75.958</u>
Fair value adjustment 1 October	114.041.625	100.042
Adjustments to fair value for the year	<u>6.000.000</u>	<u>14.000</u>
Fair value adjustment 29 February	<u>120.041.625</u>	<u>114.042</u>
Carrying amount, 29 February	<u>196.000.000</u>	<u>190.000</u>

The company's investment properties are combined commercial and office properties on a total of 7.937 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.

In valuating the properties a rent for the not leased square meters have been applied according to the market rent in the area.

In calculating the property's fair value for 2019-20 a discount rate of 2,75% has been used. (2018-2019: 2,75%).

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

Notes

Amounts concerning 2020: EUR.

Amounts concerning 2019: EUR thousand.

	<u>29/2 2020</u>	<u>30/9 2019</u>		
6. Share capital				
Share capital 1 October	100.000	100		
	<u>100.000</u>	<u>100</u>		
7. Results brought forward				
Results brought forward 1 October	67.937.716	63.945		
Retained earnings for the year	6.245.133	3.993		
	<u>74.182.849</u>	<u>67.938</u>		
8. Provisions for deferred tax				
Provisions for deferred tax 1 October	22.865.081	16.007		
Deferred tax relating to the net profit or loss for the year	45.679	6.858		
	<u>22.910.760</u>	<u>22.865</u>		
9. Liabilities				
	Debt in total	Short-term	Long-term	Outstanding
	29 Feb 2020	part of long-	debt	debt after
	<u>37.834.000</u>	term	29 Feb 2020	5 years
Mortgage debt	37.834.000	liabilities	37.834.000	0
	<u>37.834.000</u>	<u>0</u>	<u>37.834.000</u>	<u>0</u>
10. Charges and security				

The company's property with a booked value of t.EUR 196.000 has been pledged as collateral for the company's mortgage debt of t.EUR 37.834.

Notes

Amounts concerning 2019/20: EUR.

Amounts concerning 2018/19: EUR thousand.

11. Contingencies

Contingent liabilities

The company has no knowledge of any contingencies and other obligations.

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.