

Ny Østergade Ejendomme ApS

c/o CEJ Ejendomsadministration A/S
Meldahls­gade 5, 1613 København V

CVR no. 31 57 81 91

Annual report 2022

Approved at the Company's annual general meeting on 26 May 2023

Chair of the meeting:


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Johan Gustavsson

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Ny Østergade Ejendomme ApS for the financial year 1 January - 31 December 2022.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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

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

København, 26 May 2023
Executive Board:

Morten Gustafson

Jesper Bo Hansen

Independent auditor's report

To the shareholder of Ny Østergade Ejendomme ApS

Opinion

We have audited the financial statements of Ny Østergade Ejendomme ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 26 May 2023
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kennet Hartmann
State Authorised Public Accountant
mne40036

Management's review

Company details

Name	Ny Østergade Ejendomme ApS
Address, Postal code, City	c/o CEJ Ejendomsadministration A/S Meldahlsgade 5, 1613 København V
CVR no.	31 57 81 91
Established	1 June 2008
Financial year	1 January - 31 December
Executive Board	Morten Gustafson Jesper Bo Hansen
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The Company's main activity is to own and develop rental property number 1-4 of cadastral 194 Købmager Kvarter, Copenhagen.

Financial review

The income statement for 2022 shows a profit of DKK 2,126,304 against a profit of DKK 1,149,018 last year, and the balance sheet at 31 December 2022 shows equity of DKK 27,323,923.

Events after the balance sheet date

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

Financial statements 1 January - 31 December

Income statement

Note	DKK	2022	2021
	Gross profit	3,345,462	3,588,949
	Fair value adjustment of investment property	1,000,000	-500,000
	Profit before net financials	4,345,462	3,088,949
3	Financial expenses	-1,619,432	-1,615,850
	Profit before tax	2,726,030	1,473,099
4	Tax for the year	-599,726	-324,081
	Profit for the year	2,126,304	1,149,018
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	1,350,000	600,000
	Retained earnings	776,304	549,018
		2,126,304	1,149,018

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2022</u>	<u>2021</u>
	ASSETS		
	Fixed assets		
	Property, plant and equipment		
6	Investment property	<u>117,000,000</u>	<u>116,000,000</u>
		<u>117,000,000</u>	<u>116,000,000</u>
	Total fixed assets	<u>117,000,000</u>	<u>116,000,000</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	12,500	12,500
	Receivables from group enterprises	19,363	0
		<u>31,863</u>	<u>12,500</u>
	Cash	<u>6,046,132</u>	<u>4,225,006</u>
	Total non-fixed assets	<u>6,077,995</u>	<u>4,237,506</u>
	TOTAL ASSETS	<u>123,077,995</u>	<u>120,237,506</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2022</u>	<u>2021</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125,000	125,000
	Retained earnings	25,848,923	25,072,619
	Proposed dividend	1,350,000	600,000
	Total equity	<u>27,323,923</u>	<u>25,797,619</u>
	Provisions		
	Deferred tax	14,238,784	13,776,760
	Total provisions	<u>14,238,784</u>	<u>13,776,760</u>
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Mortgage debt	55,547,573	55,549,235
	Payables to group enterprises	21,570,586	21,570,586
		<u>77,118,159</u>	<u>77,119,821</u>
	Current liabilities other than provisions		
7	Short-term part of long-term liabilities other than provisions	1,662	1,622
	Trade payables	81,467	755,075
	Payables to group enterprises	702,161	102,161
	Joint taxation contribution payable	137,702	0
	Deposits	2,610,659	2,517,370
	Other payables	863,478	167,078
		<u>4,397,129</u>	<u>3,543,306</u>
	Total liabilities other than provisions	<u>81,515,288</u>	<u>80,663,127</u>
	TOTAL EQUITY AND LIABILITIES	<u>123,077,995</u>	<u>120,237,506</u>

- 1 Accounting policies
- 2 Staff costs
- 8 Contractual obligations and contingencies, etc.
- 9 Collateral
- 10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Proposed dividend</u>	<u>Total</u>
Equity at 1 January 2022	125,000	25,072,619	600,000	25,797,619
Transfer through appropriation of profit	0	776,304	1,350,000	2,126,304
Dividend distributed	0	0	-600,000	-600,000
Equity at 31 December 2022	<u>125,000</u>	<u>25,848,923</u>	<u>1,350,000</u>	<u>27,323,923</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Ny Østergade Ejendomme ApS for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Reporting currency

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

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

Revenue comprise income from the lease of investment properties for the accounting period, net of heating and joint costs. Revenue is recognised net of VAT, duties and sales discount and is measured at fair value of the consideration fixed.

Gross profit

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

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

Expenses, property

Property costs include costs incurred to operate the entity's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Other external expenses

Other external expenses include expenses relating to the entity's ordinary activities, including expenses for office supplies, audit, legal counselling, administration costs, etc.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial expenses

Financial income and expenses are recognised in the income statement at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income.

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Property, plant and equipment

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus any directly related acquisition costs.

After initial recognition, the properties are measured at fair value which represents the amount at which the individual property may be sold to an independent buyer. The fair value of the properties is revalued annually based on value in use calculations for expected cash flows from the individual investment properties. When calculating values in use, a discount factor that reflects the current yield requirements on comparable properties is used. Fair value adjustments for the financial year are recognised in the income statement.

Liabilities concerning investment properties are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Investment property

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

Receivables

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

Receivables are measured at amortised cost.

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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

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

Prepayments

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

Cash

Cash comprises cash and short term securities, which are readily convertible into cash and subject only to minor risks of changes in value.

Equity

Proposed dividends

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

Income taxes

recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid in joint taxation contribution. Current tax payables and receivables are presented as joint taxation contribution.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to office premises which are not deductible for tax purposes and on other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Payables to credit institutions

Mortgage debt is recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, mortgage debt is measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

The Company has no employees.

DKK	2022	2021
3 Financial expenses		
Interest expenses, group entities	1,202,860	1,202,859
Other interest expenses	416,572	412,991
	<u>1,619,432</u>	<u>1,615,850</u>
4 Tax for the year		
Estimated tax charge for the year	137,702	0
Deferred tax adjustments in the year	462,024	324,081
	<u>599,726</u>	<u>324,081</u>

5 Disclosure of fair values

The Company has the following assets and liabilities measured at fair value:

DKK	Investment property
Fair value at year end	117,000,000
Unrealised fair value adjustments for the year, recognised in the income statement	1,000,000
Fair value level	3

Method and unobservable inputs for the fair value assesment is described in note 6.

6 Investment property

The Company Group invests in rental property. Investment property is recognised at fair value with value adjustment over the income statement, see the provisions in section 38 of the Danish Financial Statements Act.

DKK	2022	2021
Fair value at 1 January	116,000,000	116,500,000
Value adjustments for the year	1,000,000	-500,000
Fair value at 31 December	<u>117,000,000</u>	<u>116,000,000</u>

The Company has one property located in Copenhagen city center.

Fair value estimation

The fair value of investment property is estimated for every single property on the basis of the budget for the coming year, adjusted for fluctuations of a one-off nature. This, adjusted budget reflects 'normalised' results of operations and is used in combination with a relevant yield requirement to estimate the fair value based on a yield-based model.

The most significant fair value assumption is the yield requirement 4.10% for 2022 (2021: 3.98 %).

DKK	2022	2021
Area (sqm)	1,909	1,909
Occupancy rate	100	100

Financial statements 1 January - 31 December

Notes to the financial statements

7 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2022	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	55,549,235	1,662	55,547,573	42,278,601
Payables to group enterprises	21,570,586	0	21,570,586	0
	<u>77,119,821</u>	<u>1,662</u>	<u>77,118,159</u>	<u>42,278,601</u>

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company participates in a Danish joint taxation arrangement with Ejendomsselskabet Rosenborggade 15-17 ApS as management company, and has joint and several liability with other jointly taxed group entities for payment of income taxes and withholding taxes on interest and dividends.

9 Collateral

Land and buildings with a carrying amount of DKK 117,000 thousand have been provided as security for mortgage debt with a booked value of DKK 55,549 thousand.

10 Related parties

Ny Østergade Ejendomme ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
CREAG Scandinavia Holding AB	404 29 Göteborg, Sweden	Main Shareholder

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Catella Real Estate AG	Munich, Germany	Alter Hof 5, 80331 Munich