



Bytorv Horsens ApS

Rødovre Centrum 1P, 1. 153
2610 Rødovre
CVR No. 33050283

Annual report 2021

The Annual General Meeting adopted the
annual report on 03.06.2022

Stig German Mathiasen

Chairman of the General Meeting

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Entity details

Entity

Bytorv Horsens ApS

Rødovre Centrum 1P, 1. 153

2610 Rødovre

Business Registration No.: 33050283

Registered office: København

Financial year: 01.01.2021 - 31.12.2021

Board of Directors

Lars Johansson, Chairman

Henrik Duhn

Søren Brogaard Pedersen

Jesper Andreasen

Stefan Valentin Wigren

Executive Board

Stig German Mathiasen

Henrik Duhn

Claus Tüchsen

Thomas Forslund

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Bytorv Horsens ApS for the financial year 01.01.2021 - 31.12.2021.

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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 03.06.2022

Executive Board

Stig German Mathiasen

Henrik Duhn

Claus Tüchsen

Thomas Forslund

Board of Directors

Lars Johansson

Chairman

Henrik Duhn

Søren Brogaard Pedersen

Jesper Andreasen

Stefan Valentin Wigren

Independent auditor's report

To the shareholders of Bytorv Horsens ApS

Opinion

We have audited the financial statements of Bytorv Horsens ApS for the financial year 01.01.2021 - 31.12.2021, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant 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 Entity's financial position at 31.12.2021 and of the results of its operations for the financial year 01.01.2021 - 31.12.2021 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, 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 conclude that the management commentary 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 commentary.

Copenhagen, 03.06.2022

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Allan Pedersen

State Authorised Public Accountant
Identification No (MNE) mne14952

Management commentary

Primary activities

The company's main activity is to own and lease the shopping centre Bytorv Horsens

Description of material changes in activities and finances

The majority of shops in Bytorv Horsens were forced to be closed during the first 3½ month of 2021 which has significantly impacted the activity and turnover in this period and effectively resulted in a reduced income from pure turnover-based tenants where the lease payment is directly related to the turnover generated. The company has continued the 2020 initiative to assist the tenants and offer payment deferrals until reopening and/or receipt of the governmental compensation scheme. The tenant payment overdue amount is considered relatively low as per end of December 2021.

Development in activities and finances

The company income statement for 2021 exhibits a profit of 44.103 T.DKK and the company balance sheet as of December 31st exhibits an equity of 97.816 T.DKK.

The result of the year has in particular been affected by reduced turnover from turnover based tenants as a consequence of COVID-19 closure and reduced activity. Financial costs have increased due to increase in debt level as a consequence of increased capex investments related to the revitalization project. In addition the equity capital has been significantly strengthened.

The company's result is considered satisfactory given the covid-19 related circumstances.

Bytorv Horsens has during the period from 2019 to 2021 gone through a significant revitalization process that involves significant building modernizations and significant changes in the tenant mix.

The revitalization is expected to strengthen Bytorv Horsens market position, increase the activity in terms of footfall (number of customers), increase the tenants' and the company's turnover and thereby effectively creating a significantly increased value of Bytorv Horsens. In spite of the Covid-19 pandemic headwinds Bytorv Horsens have managed to sign new lease contracts on attractive terms which has significantly reduced vacancy with a retail leasing activity level of 97% and storage/office activity level of 80%.

Uncertainty relating to recognition and measurement

Investment properties are valued in the annual report at fair value and the value adjustments are transferred to the income statement. The valuation is made on the basis of the budget for the coming year adjusted to reflect stabilized operations, which is capitalized with management's estimates of required rate of return. Time-limited discounts and escalation schemes as well as temporary income reductions due to expected run-in periods for tenants whose rent is based on turnover are deducted.

The required rate of return ("yield") is based on societal conditions and individual quality conditions on the properties. The statement at fair value of investment properties is based on management's estimates, as there is no external assessment. However, the applied yield of 5,75% (7,25% in 2020) for Bytorv Horsens is also accepted by Colliers International Danmark A/S.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2021

	Notes	2021 DKK	2020 DKK
Revenue		21,400,319	18,403,398
Other external expenses		(2,723,612)	(1,825,890)
Property costs		(11,276,101)	(10,722,850)
Gross profit/loss		7,400,606	5,854,658
Staff costs	1	0	(355,120)
Operating profit/loss		7,400,606	5,499,538
Other financial expenses		(6,964,230)	(4,994,331)
Profit/loss before fair value adjustments and tax		436,376	505,207
Fair value adjustment of investment properties		43,666,928	14,360,672
Profit/loss before tax		44,103,304	14,865,879
Tax on profit/loss for the year		0	0
Profit/loss for the year		44,103,304	14,865,879
Proposed distribution of profit and loss:			
Retained earnings		44,103,304	14,865,879
Proposed distribution of profit and loss		44,103,304	14,865,879

Balance sheet at 31.12.2021

Assets

	Notes	2021 DKK	2020 DKK
Investment property		365,300,198	284,119,950
Property, plant and equipment	2	365,300,198	284,119,950
Fixed assets		365,300,198	284,119,950
Trade receivables		1,767,831	755,679
Receivables from group enterprises		148,000	58,000
Other receivables		3,263,208	6,219,786
Income tax receivable		0	90,000
Prepayments		996,398	520,621
Receivables		6,175,437	7,644,086
Cash		21,062,017	32,655,974
Current assets		27,237,454	40,300,060
Assets		392,537,652	324,420,010

Equity and liabilities

	Notes	2021 DKK	2020 DKK
Contributed capital		3,360,000	3,360,000
Retained earnings		94,455,502	50,352,196
Equity		97,815,502	53,712,196
Mortgage debt		285,346,622	263,297,367
Deposits		4,643,077	4,240,635
Non-current liabilities other than provisions	3	289,989,699	267,538,002
Current portion of non-current liabilities other than provisions	3	198,619	199,413
Trade payables		822,578	796,323
Payables to group enterprises		0	114,270
Other payables		3,711,254	2,059,806
Current liabilities other than provisions		4,732,451	3,169,812
Liabilities other than provisions		294,722,150	270,707,814
Equity and liabilities		392,537,652	324,420,010
Contingent assets	4		
Contingent liabilities	5		
Assets charged and collateral	6		
Related parties with controlling interest	7		

Statement of changes in equity for 2021

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	3,360,000	50,352,198	53,712,198
Profit/loss for the year	0	44,103,304	44,103,304
Equity end of year	3,360,000	94,455,502	97,815,502

Notes

1 Staff costs

	2021 DKK	2020 DKK
Wages and salaries	0	355,120
	0	355,120
Average number of full-time employees	0	1

2 Property, plant and equipment

	Investment property DKK
Cost beginning of year	482,484,354
Additions	37,513,325
Cost end of year	519,997,679
Fair value adjustments beginning of year	(198,364,409)
Fair value adjustments for the year	43,666,928
Fair value adjustments end of year	(154,697,481)
Carrying amount end of year	365,300,198

The company's investment property consists of a shopping center of 16,196 m² located in Horsens. The investment property is measured at fair value using a return-based model. The fair value calculated on the basis of the budgeted net earnings for the coming year adjusted to normal earnings and capitalized with a required rate of return of 5.75% (2020 7.25%). The value is adjusted for conditions that are not reflected in normal earnings, such as planned investments, rental discounts, escalation schemes, temporary income reductions due to the expected run-in period for tenants whose rent is based on turnover, and expected idle. An increase or decrease of 0.25% in the required rate of return will imply a decrease of DKK 15.6M or an increase of DKK 17.0M respectively in market value.

3 Non-current liabilities other than provisions

	Due within 12 months 2021 DKK	Due within 12 months 2020 DKK	Due after more than 12 months 2021 DKK	Outstanding after 5 years 2021 DKK
Mortgage debt	198,619	199,413	285,346,622	267,489,988
Deposits	0	0	4,643,077	4,643,077
	198,619	199,413	289,989,699	272,133,065

4 Contingent assets

The company has an unrecognized deferred tax asset amounting to DKK 17M (2020: DKK 27M).

5 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where SSCP Projekt BH ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

6 Assets charged and collateral

The company's mortgage debts are secured by collateral in the company's investments property. The carrying value of the property, plant and equipment is DKK 365M.

As collateral for any obligation that the company has or may have to Jyske Realkredit A/S at any given time, is the two cash accounts with Jyske Bank offered. The book value of these accounts is pr. 31.12.21 17.213 TDKK.

7 Related parties with controlling interest

SSCP BH Holding ApS, Gammel Strand 34, 1202 København K, owns all shares in the Entity, thus exercising control.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Fair value adjustments of investment property

Fair value adjustments of investment property comprise adjustments for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Property costs

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.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Other financial expenses

Other financial expenses comprise interest expenses, net capital or exchange losses on securities, payables and transactions in foreign currencies, and amortisation of financial liabilities.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Investment property**

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

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date.

Fair value is determined by applying the yield-based model as the calculated value in use of expected cash flows from each property. The calculation is based on budgeted net earnings for the next year that has been adjusted to normal earnings, and using a required yield rate that reflects current market yield rates for similar properties. The value is adjusted for factors not reflected in normal earnings, for example, actual vacancy rate, major refurbishments etc.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan

applying the effective interest method.

Other financial liabilities

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