ISO III Mejsevangen ApS

Dirch Passers Allé 76, DK-2000 Frederiksberg

Annual Report for 2023

CVR No. 33 05 04 29

The Annual Report was presented and adopted at the Annual General Meeting of the company on 2/4 2024

Søren Ronni Salby
Chairman of the general meeting

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Management's statement

The Executive Board has today considered and adopted the Annual Report of ISO III Mejsevangen ApS for the financial year 1 January - 31 December 2023.

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 at 31 December 2023 of the Company and of the results of the Company operations for 2023.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Frederiksberg, 2 April 2024

Executive Board

Jacob Smergel-Krog Executive Officer	Søren Ronni Salby Executive Officer	Thomas Matthew Emson Executive Officer

Independent Auditor's report

To the shareholder of ISO III Mejsevangen ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company´s operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of ISO III Mejsevangen ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

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 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. 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 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 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 Company´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 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, 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.

Hellerup, 2 April 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

René Otto Poulsen
State Authorised Public Accountant
mne26718

Company information

The Company	ISO III Mejsevangen ApS Dirch Passers Allé 76 DK-2000 Frederiksberg
	CVR No: 33 05 04 29
	Financial period: 1 January - 31 December
	Incorporated: 15 December 2009
	Financial year: 14th financial year
	Municipality of reg. office: Frederiksberg
Executive Board	Jacob Smergel-Krog Søren Ronni Salby Thomas Matthew Emson
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit/loss before value adjustments		**10,782,200**	**-1,995,330**
Value adjustments of assets held for investment		4,824,988	38,302,597
Gross profit/loss after value adjustments		**15,607,188**	**36,307,267**
Financial income		300,420	0
Financial expenses	2	-10,714,834	-344,176
Profit/loss before tax		**5,192,774**	**35,963,091**
Tax on profit/loss for the year	3	-1,152,957	-9,919,987
Net profit/loss for the year		**4,039,817**	**26,043,104**

Distribution of profit

	2023	2022
	DKK	DKK
Proposed distribution of profit		
Extraordinary dividend paid	0	35,794,266
Retained earnings	4,039,817	-9,751,162
	4,039,817	**26,043,104**

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Investment properties		316,000,000	311,650,334
Property, plant and equipment	4	**316,000,000**	**311,650,334**
Fixed assets		**316,000,000**	**311,650,334**
Trade receivables		492,530	0
Other receivables		0	247,373
Receivables		**492,530**	**247,373**
Cash at bank and in hand		**3,240,941**	**851,561**
Current assets		**3,733,471**	**1,098,934**
Assets		**319,733,471**	**312,749,268**

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		125,000	125,000
Retained earnings		30,565,582	26,525,765
Equity		**30,690,582**	**26,650,765**
Provision for deferred tax		21,479,755	20,326,798
Provisions		**21,479,755**	**20,326,798**
Mortgage loans		213,020,662	0
Payables to group enterprises		42,444,438	40,605,030
Long-term debt	5	**255,465,100**	**40,605,030**
Mortgage loans	5	2,102,281	0
Credit institutions		0	1,294
Prepayments received from customers		1,920,741	0
Trade payables		753,034	1,483,725
Payables to group enterprises	5	1,750,000	217,149,540
Deposits		4,658,700	6,532,116
Other payables		913,278	0
Short-term debt		**12,098,034**	**225,166,675**
Debt		**267,563,134**	**265,771,705**
Liabilities and equity		**319,733,471**	**312,749,268**
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	125,000	26,525,765	26,650,765
Net profit/loss for the year	0	4,039,817	4,039,817
Equity at 31 December	**125,000**	**30,565,582**	**30,690,582**

Notes to the Financial Statements

1. Key activities

The Company's key activity is to own and operate investment properties mainly in residential property.

2. Financial expenses

	2023	2022
	DKK	DKK
Interest paid to associates	1,839,408	51,030
Other financial expenses	8,875,426	293,146
	10,714,834	**344,176**

3. Income tax expense

	2023	2022
	DKK	DKK
Deferred tax for the year	1,142,411	7,912,322
Adjustment of deferred tax concerning previous years	10,546	2,007,665
	1,152,957	**9,919,987**

4. Assets measured at fair value

	Investment properties
	DKK
Cost at 1. January	228,980,417
Additions for the year	224,678
Disposals for the year	-700,000
Cost at 31. December	228,505,095
Value adjustments at 1. January	82,669,917
Revaluations for the year	4,824,988
Value adjustments at 31. December	87,494,905
Carrying amount at 31. December	**316,000,000**
Interest expenses recognised as part of cost	20,073,312

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods.

Notes to the Financial Statements

	2023
	DKK
Yield	5.13%
Vacancy	0.00%
Sqm.	11,217
Rental income per sqm.	1,632

	2023	2022
	DKK	DKK

5. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2023	2022
Mortgage loans		
After 5 years	204,611,539	0
Between 1 and 5 years	8,409,123	0
Long-term part	213,020,662	0
Within 1 year	2,102,281	0
	215,122,943	**0**
Payables to group enterprises		
After 5 years	42,444,438	40,605,030
Long-term part	42,444,438	40,605,030
Other short-term debt to group enterprises	1,750,000	217,149,540
	44,194,438	**257,754,570**

	2023	2022
	DKK	DKK

6. Contingent assets, liabilities and other financial obligations

Charges and security

	2023	2022
The following assets have been placed as security with mortgage credit institutes:		
Land and buildings with a carrying amount of	316,000,000	311,650,334

	2023	2022
	DKK	DKK

6. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of ISO III Copenhagen Holdco ApS, which is the management company of the joint taxation purposes. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

Notes to the Financial Statements

7. Accounting policies

The Annual Report of ISO III Mejsevangen ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

All expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Rental income

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised net of discounts relating to sales.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of rental income, other operating income and other external expenses.

Notes to the Financial Statements

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with the Parrent company. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed assets comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and supsuppliers up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of properties are recognised in cost over the construction period.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The fair value of investment properties has been assessed by the independent appraiser firm at 31 December 2023

The estimates applied are based on historical information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

Return-based valuation model

The fair value of investment properties has been determined at 31 December 2023 for each property by using a return-based model under which the expected future cash flows for the coming year combined with a rate of return form the basis of the fair value of the property. The calculations are based on property budgets for the coming years. The budget takes into account developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The budgeted cash flow is divided by the estimated rate of return to arrive at the fair value of the property. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

Notes to the Financial Statements

The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as mortgage loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.