

# **Polaris Propco Denmark 1 ApS**

c/o 30460 Newsec PAM Denmark A/S  
Lyngby Hovedgade 4,  
2800 Kongens Lyngby

CVR No. 33251203

## **Annual Report 2020**

10. financial year

The Annual Report was presented and  
adopted at the Annual General Meeting of  
the Company on 1 June 2021

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Solveig Diana Hoffmann  
Chairman

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## **Management's Statement**

Today, Management has considered and adopted the Annual Report of Polaris Propco Denmark 1 ApS for the financial year 1 January 2020 - 31 December 2020.

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 assets, liabilities and financial position of the Company at 31 December 2020 and of the results of the Company's operations for the financial year 1 January 2020 - 31 December 2020.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Kgs. Lyngby, 1 June 2021

### **Executive Board**

Elmar Marguérite Theodorus  
Schoonbrood  
CEO

Jean-Francois Pascal E. Bossy  
CEO

Solveig Diana Hoffmann  
CEO

## **Independent Auditors' Report**

### **To the shareholders of Polaris Propco Denmark 1 ApS**

#### **Opinion**

We have audited the financial statements of Polaris Propco Denmark 1 ApS for the financial year 1 January 2020 - 31 December 2020, 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 December 2020 and of the results of its operations for the financial year 1 January 2020 - 31 December 2020 in accordance with the Danish Financial Statements Act.

#### **Basis of 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's responsibility 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.

#### **The auditor's responsibility 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.

## Independent Auditors' 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 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's review

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.

### Report on other legal and regulatory requirements

Violation of Danish company law or similar legislation:

During the year, the company has transferred cash to related parties, which may be perceived as illegal financial assistance according to the Danish Companies Act, whereby the Management may incur liability.

Aarhus, 1 June 2021

**Deloitte Statsautoriseret Revisionspartnerselskab**

CVR-no. 33963556

Lars Andersen  
State Authorised Public Accountant  
mne34506

Chris Middelhed  
State Authorised Public Accountant  
mne45823

## **Polaris Propco Denmark 1 ApS**

### **Company details**

<b>Company</b>	Polaris Propco Denmark 1 ApS c/o 30460 Newsec PAM Denmark A/S Lyngby Hovedgade 4, 2800 Kongens Lyngby CVR-no.: 33251203 Date of formation: 15 October 2010 Registered office: Lyngby-Tårnbæk
<b>Executive Board</b>	Elmar Marguérite Theodorus Schoonbrood, CEO Jean-Francois Pascal E. Bossy, CEO Solveig Diana Hoffmann, CEO
<b>Auditors</b>	Deloitte Statsautoriseret Revisionspartnerselskab Wiedekampsgade 6 2300 København S CVR-no.: 33963556

## Management's Review

### The Company's principal activities

The Company's principal activities consist in owning, develop, rent and manage real estate, directly and indirectly, and related business.

### Development in activities and financial matters

The Company's Income Statement of the financial year 1 January 2020 - 31 December 2020 shows a result of DKK 22.347.462 and the Balance Sheet at 31 December 2020 a balance sheet total of DKK 251.025.334 and an equity of DKK 96.444.708.

Management have chosen to change the accounting policies on investment properties from cost price to fair value. The change in accounting policies are made to ensure that the company's investment properties are booked at a true and fair value. For 2019, the result before tax for the year is increased by DKK 34.915.231 and after tax by DKK 27.233.879, whereas the balance sheet total at beginning of the year is increased by DKK 82.326.369 and equity at 1 January 2020 is increased by DKK 64.214.566. The deferred tax at beginning of the year is changed by DKK -18.111.803 as a result of the change in policy.

### Post financial year events

No events have occurred after the balance sheet date which would influence the evaluation of the annual report. The COVID-19 disease have not had and are not expected to have any material impact on the Entity's financial position and developments as the Entity's rental income is received from leesses who have a high credit rating and have paid a deposit as security for rent payments

## Accounting Policies

### Reporting Class

The Annual Report of Polaris Propco Denmark 1 ApS for 2020 has been presented 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.

### Changed accounting policies, estimates and errors

Accounting policies has been changed as follows:

- Management have chosen to change the accounting policies on investment properties from cost price to fair value. The change in accounting policies are made to ensure that the company's investment properties are booked at a true and fair value. For 2019, the result before tax for the year is increased by DKK 34.915.231 and after tax by DKK 27.233.879, whereas the balance sheet total at beginning of the year is increased by DKK 82.326.369 and equity at 1 January 2020 is increased by DKK 64.214.566. The deferred tax at beginning of the year is changed by DKK -18.111.803 as a result of the change in policy.

Apart from the above mentioned fields, the accounting policies are consistent with those of the previous year.

Comparative figures have been adapted to the changed accounting policies.

### Reporting currency

The Annual Report is presented in Danish kroner.

### 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 date of transaction. Exchange differences 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. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity

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.

## General Information

### Basis of recognition and measurement

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, 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 accrue 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 attributable to the asset will flow out of the Company, and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each item below.



## Accounting Policies

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

## Income Statement

### Gross profit/loss

The Company has decided to aggregate certain items of the Income Statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue and other external expenses.

### Revenue

Revenue from rent is recognised in the income statement when delivery and transfer of risk to the byer has been made before year end.

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

### Other external expenses

Other external costs include costs for premises, sales and office expenses, etc.

### Fair value adjustment of investment assets

Adjustments of investment assets measured at fair value are recognised as a separate item in the Income Statement.

### Financial income and expenses

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

### Tax on net profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the tax of 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 Danish group enterprises. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

## Accounting Policies

### Balance Sheet

#### Investment properties

Investment property comprises investment in land and buildings for the purpose of achieving a return on the invested capital in the form of regular operating income and a capital gain on resale.

On initial recognition, investment properties are measured at cost, which comprises the cost of the property and any directly related expenses.

Investment properties are subsequently measured at their fair value. The fair value of the properties is reassessed annually based on the return-based valuation model.

The fair value is determined based on the net return on commercial properties located in the same geographical area as the properties. Net return is calculated taking into consideration the existing leases, the state of repair of the properties and the budget for the next year.

Net return is calculated as total rental income less direct costs for property taxes, insurance, maintenance and housing management incurred on the investment properties divided by the carrying amounts of the investment properties less deposits.

Change in fair value are recognised in the income statement under 'Value adjustment of investment properties'.

As the investment properties are measured at fair value, they are not depreciated.

#### Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

#### Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

#### Equity

##### Dividends

Proposed dividends for the year are recognised as a separate item under equity. Proposed dividends are recognised as a liability when approved by the Annual General Meeting.

#### Deferred tax

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 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 the equity if the deferred tax relates to items recognised in equity.

## Accounting Policies

### Current tax liabilities and receivables

Current tax liabilities and current tax 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.

### Liabilities

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other accounts payable, are measured at amortised cost, which usually corresponds to the nominal value.

### Other payables

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

### Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

## Income Statement

	Note	2020 kr.	2019 kr.
<b>Gross profit</b>		<b>13.711.154</b>	<b>12.806.134</b>
Value adjustments of investment property		17.769.591	33.000.000
<b>Profit from ordinary operating activities</b>		<b>31.480.745</b>	<b>45.806.134</b>
Other financial income		465.044	169
Financial expenses	1	-2.249.180	-11.541.367
<b>Profit from ordinary activities before tax</b>		<b>29.696.609</b>	<b>34.264.936</b>
Tax expense on ordinary activities	2	-7.349.147	-7.598.411
<b>Net profit/loss for the year</b>		<b>22.347.462</b>	<b>26.666.525</b>
<b>Proposed distribution of results</b>			
Proposed dividend recognised in equity		35.023.662	0
Retained earnings		-12.676.200	26.666.525
<b>Distribution of profit</b>		<b>22.347.462</b>	<b>26.666.525</b>

## Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
<b>Assets</b>			
Investment property	3	238.000.000	220.000.000
<b>Property, plant and equipment</b>		<b>238.000.000</b>	<b>220.000.000</b>
Long-term receivables from group enterprises		10.030.864	0
<b>Investments</b>		<b>10.030.864</b>	<b>0</b>
<b>Fixed assets</b>		<b>248.030.864</b>	<b>220.000.000</b>
Short-term receivables from group enterprises		427.045	0
Other short-term receivables		345.905	242.321
Prepayments		61.516	0
<b>Prepayments</b>		<b>834.466</b>	<b>242.321</b>
<b>Cash and cash equivalents</b>		<b>2.160.004</b>	<b>76.417</b>
<b>Current assets</b>		<b>2.994.470</b>	<b>318.738</b>
<b>Assets</b>		<b>251.025.334</b>	<b>220.318.738</b>

## Balance Sheet as of 31 December

	Note	2020 kr.	2019 kr.
<b>Liabilities and equity</b>			
Share capital		18.080.000	18.080.000
Retained earnings		43.341.046	56.017.245
Proposed dividend recognised in equity		35.023.662	0
<b>Equity</b>		<b>96.444.708</b>	<b>74.097.245</b>
Provisions for deferred tax		27.784.784	22.746.661
<b>Provisions</b>		<b>27.784.784</b>	<b>22.746.661</b>
Payables to group enterprises		120.893.076	120.102.730
<b>Long-term liabilities other than provisions</b>	4	<b>120.893.076</b>	<b>120.102.730</b>
Trade payables		378.655	612.555
Payables to group enterprises		4.025.588	84.174
Tax payables to group enterprises		1.498.523	908.902
Other payables		0	1.766.471
<b>Short-term liabilities other than provisions</b>		<b>5.902.766</b>	<b>3.372.102</b>
<b>Liabilities other than provisions within the business</b>		<b>126.795.842</b>	<b>123.474.832</b>
<b>Liabilities and equity</b>		<b>251.025.334</b>	<b>220.318.738</b>
Contingent liabilities	5		
Related parties	6		

## Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2020	18.080.000	-8.197.321	0	9.882.679
Changes of equity through changes in accounting policies	0	64.214.567	0	64.214.567
<b>Adjusted equity 1 January 2020</b>	<b>18.080.000</b>	<b>56.017.246</b>	<b>0</b>	<b>74.097.246</b>
Profit (loss)	0	-12.676.200	35.023.662	22.347.462
<b>Equity 31 December 2020</b>	<b>18.080.000</b>	<b>43.341.046</b>	<b>35.023.662</b>	<b>96.444.708</b>

## Notes

	2020 kr.	2019 kr.
<b>1. Financial expenses</b>		
Finance expenses arising from group enterprises	1.962.495	1.367.211
Other finance expenses	286.685	2.003.747
Exchange loss	0	51.985
Fair value adjustment og hedging instruments	0	8.118.424
	<b>2.249.180</b>	<b>11.541.367</b>
<b>2. Tax on profit/loss for the year</b>		
Forecast tax liability	-1.498.523	1.031.627
Adjustment deferred tax	-5.038.123	-8.630.038
Adjustment tax previous years	-812.501	0
	<b>-7.349.147</b>	<b>-7.598.411</b>
<b>3. Investment property</b>		
Cost at the beginning of the year	152.357.069	152.357.069
Addition during the year, incl. improvements	230.409	0
<b>Cost at the end of the year</b>	<b>152.587.478</b>	<b>152.357.069</b>
Fair value adjustments at the beginning of the year	67.642.931	34.642.931
Adjustments for the year	17.769.591	33.000.000
<b>Fair value adjustments at the end of the year</b>	<b>85.412.522</b>	<b>67.642.931</b>
<b>Carrying amount at the end of the year</b>	<b>238.000.000</b>	<b>220.000.000</b>

Investment properties was measured at cost. Management have chosen to change the accounting policies on investment properties from cost price to fair value. The change in accounting policies are made to ensure that the company's investment properties are booked at a true and fair value.

The company's investment properties consist of one investment property of 47.000 m2 located in Greve.

The investment property is in accordance with the description of the accounting policies, measured at fair value using the return-based model.

The calculation is based on the return-based model, without, however, being "simple" as Argus gives the opportunity to take a number of considerations into account, among other things about the rental period, subletting, idle period and CapEx etc. The calculation method is very accurate as it can count on days.

The value of the investment property is determined at fair value on the basis of the ARGUS Enterprise system, received from external valuer.

Management has appointed an external valuer to determine the fair value of the investment property at 31 December 2020. The valuation report prepared by external valuer assumes an equivalent yield of 5,4% and re-let of vacant retail unit within a 12 months period.

A return requirement of 5,4 % has been used in the valuation. A change of +/- 0,25 percentage points in the required rate of return means approx. -10.182 / +11.157 t.kr. in changed market value.



## Notes

### 4. Long-term liabilities

	Due after 1 year kr.	Due within 1 year kr.	Due after 5 years kr.
Payables to group enterprises	120.893.076	4.025.588	120.893.076
	<b>120.893.076</b>	<b>4.025.588</b>	<b>120.893.076</b>

### 5. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income as well as for Danish withholding taxes through dividend tax and tax on unearned Polaris Bidco Denmark ApS is administration company in relation to the joint taxation.

### 6. Related parties

Related parties with controlling interest:

Polaris Bidco Denmark ApS