

Polaris Propco Denmark 1 ApS

c/o DEAS A/S
Dirch Passers Allé 76
2000 Frederiksberg

CVR No. 33251203

Annual Report 2022

12. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 19 June 2023

Jean-Francois Pascal E. Bossy
Chairman

Contents

Company Information	3
Management's Statement	4
Independent Auditors' Report	5
Management's Review	7
Accounting Policies	8
Income Statement	11
Balance Sheet	12
Statement of changes in Equity	14
Notes	15

Polaris Propco Denmark 1 ApS

Company details

Company	Polaris Propco Denmark 1 ApS c/o DEAS A/S Dirch Passers Allé 76 2000 Frederiksberg
CVR No.	33251203
Executive Board	Donatella Fanti, CEO Jean-Francois Pascal E. Bossy, CEO Andrea Corsi, CEO
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S CVR-no.: 33963556

Management's Statement

Today, Management has considered and adopted the Annual Report of Polaris Propco Denmark 1 ApS for the financial year 1 January 2022 - 31 December 2022.

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 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

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.

Frederiksberg, 19 June 2023

Executive Board

Donatella Fanti
CEO

Jean-Francois Pascal E. Bossy
CEO

Andrea Corsi
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 2022 - 31 December 2022, 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 2022 and of the results of its operations for the financial year 1 January 2022 - 31 December 2022 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 responsibility under those standards and requirements are further described in the "Auditors' responsibility 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' 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 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.

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 additional requirements applicable in Denmark, we exercise professional judgement and maintain an attitude of professional skepticism 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

Independent Auditors' Report

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.

Aarhus, 19 June 2023

Deloitte Statsautoriseret Revisionspartnerselskab

CVR-no. 33963556

Lars Andersen
State Authorised Public Accountant
mne34506

Chris Middelhede
State Authorised Public Accountant
mne45823

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 the financial situation

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK -10.593.519 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 234.836.467 and an equity of DKK 54.456.247.

Post financial year events

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

Accounting Policies

Reporting Class

The Annual Report of Polaris Propco Denmark 1 ApS for 2022 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.

The accounting policies applied remain unchanged from last year.

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.

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.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

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 based on the amounts that concern the financial year.

Tax on net profit 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.

Balance Sheet

Investment property

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'.

Accounting Policies

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.

Current tax liabilities and receivables

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

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	2022 kr.	2021 kr.
Gross profit		13.575.223	14.028.187
Employee costs expense	1	0	0
Value adjustments of investment assets		-24.750.000	11.500.000
Profit from ordinary operating activities		-11.174.777	25.528.187
Other finance income from group enterprises		0	455.283
Other financial income		0	238.175
Financial expenses	2	-2.385.214	-2.338.755
Profit from ordinary activities before tax		-13.559.991	23.882.890
Tax expense on ordinary activities	3	2.966.472	-5.254.170
Profit		-10.593.519	18.628.720
 Proposed distribution of results			
Proposed dividend recognised in equity		9.000.000	15.000.000
Retained earnings		-19.593.519	3.628.720
Distribution of profit		-10.593.519	18.628.720

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Assets			
Investment property	4	224.750.000	249.500.000
Property, plant and equipment		224.750.000	249.500.000
Fixed assets		224.750.000	249.500.000
Short-term receivables from group enterprises		4.064.479	1.367.813
Other short-term receivables		44.951	1.810.230
Prepayments		65.624	185.230
Receivables		4.175.054	3.363.273
Cash and cash equivalents		5.911.413	4.455.776
Current assets		10.086.467	7.819.049
Assets		234.836.467	257.319.049

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Contributed capital		18.080.000	18.080.000
Retained earnings		27.376.247	46.969.766
Proposed dividend recognised in equity		9.000.000	15.000.000
Equity		54.456.247	80.049.766
Provisions for deferred tax		27.072.960	31.440.115
Provisions		27.072.960	31.440.115
Payables to group enterprises		146.825.564	139.771.215
Long-term liabilities other than provisions	5	146.825.564	139.771.215
Trade payables		260.404	427.514
Payables to group enterprises		4.035.049	4.031.900
Tax payables to group enterprises		1.932.049	1.598.539
Other payables		254.194	0
Short-term liabilities other than provisions		6.481.696	6.057.953
Liabilities other than provisions within the business		153.307.260	145.829.168
Liabilities and equity		234.836.467	257.319.049
Contingent liabilities	6		
Related parties	7		

Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2022	18.080.000	46.969.766	15.000.000	80.049.766
Dividend paid	0	0	-15.000.000	-15.000.000
Profit (loss)	0	-19.593.519	9.000.000	-10.593.519
Equity 31 December 2022	18.080.000	27.376.247	9.000.000	54.456.247

The share capital has remained unchanged for the last 5 years.

Polaris Propco Denmark 1 ApS
Notes

	2022	2021
1. Employee costs expense		
Average number of employees	0	0
2. Finance expenses		
Finance expenses arising from group enterprises	2.101.000	1.823.750
Other finance expenses	284.214	515.005
	2.385.214	2.338.755
3. Tax expense		
Current tax for the year	1.370.480	1.598.539
Deferred tax for the year	-4.352.830	3.655.631
Adjustment tax previous periods	30.203	0
Adjustment deferred tax previous periods	-14.325	0
	-2.966.472	5.254.170
4. Investment property		
Cost at the beginning of the year	152.587.478	152.587.478
Cost at the end of the year	152.587.478	152.587.478
Fair value adjustments at the beginning of the year	96.912.522	85.412.522
Adjustments for the year	-24.750.000	11.500.000
Fair value adjustments at the end of the year	72.162.522	96.912.522
Carrying amount at the end of the year	224.750.000	249.500.000

The company's investment properties consist of one investment property of 19.540 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 return-based model calculates the value on the basis of the property's expected net operating profit in a typical stabilized operating year.

The value of the investment property is determined at fair value on the basis of the return-based model, received from external valuer.

Management has appointed an external valuer to determine the fair value of the investment property at 31 December 2022. The valuation report prepared by external valuer assumes an initial yield of 6,40 % and re-let of vacant retail unit within a 12 months period.

A return requirement of 6,40 % has been used in the valuation. A change of +/- 0,25 percentage points in the required rate of return means approx. -11.250 / +12.250 t.kr. in changed market value with a Net rent of kr. 14.485.463.

5. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	146.825.564	4.035.049	146.825.564
	146.825.564	4.035.049	146.825.564

6. Contingent liabilities

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 Bjorn Denmark Bidco ApS is administration company in relation to the joint taxation.

7. Related parties

Related parties with controlling interest:

Polaris Bidco Denmark ApS