

Polaris Propco Denmark 2 ApS

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

CVR No. 33267991

Annual Report 2023

13. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 28 June 2024

Jean-Francois Pascal E. Bossy
Chairman

Polaris Propco Denmark 2 ApS

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Polaris Propco Denmark 2 ApS

Company details

Company	Polaris Propco Denmark 2 ApS c/o DEAS A/S Dirch Passers Allé 76 2000 Frederiksberg CVR-no.: 33267991
Executive Board	Donatella Fanti, CEO Jean-Francois Pascal E. Bossy, CEO Andrea Corsi, CEO
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Værkmestergade 2 8000 Aarhus C CVR-no.: 33963556

Management's Statement

Today, Management has considered and adopted the Annual Report of Polaris Propco Denmark 2 ApS for the financial year 1 January 2023 - 31 December 2023.

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 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

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, 28 June 2024

Executive Board

Donatella Fanti
CEO

Jean-Francois Pascal E. Bossy
CEO

Andrea Corsi
CEO

Independent Auditor's extended review report

To the shareholders of Polaris Propco Denmark 2 ApS

Conclusion

We have performed an extended review of the financial statements of Polaris Propco Denmark 2 ApS for the financial year 1 January 2023 - 31 December 2023, 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.

Based on our extended review, in our opinion, the financial statements give a true and fair view of the Entity's financial position at 31 December 2023 and of the results of its operations for the financial year 1 January 2023 - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the Management commentary

Management is responsible for the management commentary.

Our conclusion 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 extended review of the financial statements our responsibility is to read the management

Independent Auditor's extended review report

commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the extended review or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Aarhus, 28 June 2024

Deloitte Statsautoriseret Revisionspartnerselskab

CVR-no. 33963556

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 2023 - 31 December 2023 shows a result of DKK 24.638.983 and the Balance Sheet at 31 December 2023 a balance sheet total of DKK 234.804.478 and an equity of DKK 45.415.366.

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 2 ApS for 2023 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.

Accounting Policies

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.

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	2023 kr.	2022 kr.
Gross profit		10.780.508	10.377.714
Employee costs expense	1	0	0
Value adjustments of investment assets		23.833.928	-39.290.901
Profit from ordinary operating activities		34.614.436	-28.913.187
Financial expenses	2	-2.966.683	-2.078.158
Profit from ordinary activities before tax		31.647.753	-30.991.345
Tax expense on ordinary activities	3	-7.008.770	6.807.821
Profit		24.638.983	-24.183.524
 Proposed distribution of results			
Retained earnings		24.638.983	-24.183.524
Distribution of profit		24.638.983	-24.183.524

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Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Assets			
Investment property	4	223.000.000	199.250.000
Property, plant and equipment		223.000.000	199.250.000
Fixed assets		223.000.000	199.250.000
Short-term receivables from group enterprises		928.306	1.062.837
Other short-term receivables		2.601.581	3.162.620
Prepayments		184.988	76.630
Prepayments		3.714.875	4.302.087
Cash and cash equivalents		8.089.603	1.760.255
Current assets		11.804.478	6.062.342
Assets		234.804.478	205.312.342

Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Liabilities and equity			
Contributed capital		10.160.000	10.160.000
Retained earnings		35.255.366	10.616.383
Equity		45.415.366	20.776.383
Provisions for deferred tax		28.093.249	20.722.267
Provisions		28.093.249	20.722.267
Payables to group enterprises		147.562.153	149.381.800
Deposits		6.306.816	6.062.034
Long-term liabilities other than provisions	5	153.868.969	155.443.834
Trade payables		380.916	684.920
Payables to group enterprises		5.653.002	5.694.869
Tax payables to group enterprises		766.252	1.699.826
Other payables		626.724	290.243
Short-term liabilities other than provisions		7.426.894	8.369.858
Liabilities other than provisions within the business		161.295.863	163.813.692
Liabilities and equity		234.804.478	205.312.342
Contingent liabilities	6		
Related parties	7		

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Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2023	10.160.000	10.616.383	0	20.776.383
Profit (loss)	0	24.638.983	0	24.638.983
Equity 31 December 2023	10.160.000	35.255.366	0	45.415.366

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

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	2023	2022
1. Employee costs expense		
Average number of employees	0	0
2. Finance expenses		
Finance expenses arising from group enterprises	2.460.355	1.889.748
Other finance expenses	506.328	188.410
	2.966.683	2.078.158
3. Tax expense		
Tax of calculated income	766.252	853.346
Deferred tax for the year	6.242.519	-7.671.486
Adjustment tax previous periods	-1	10.319
	7.008.770	-6.807.821
4. Investment property		
Cost at the beginning of the year	150.529.722	143.738.821
Addition during the year, incl. improvements	254.996	6.790.901
Disposal during the year	-338.924	0
Cost at the end of the year	150.445.794	150.529.722
Fair value adjustments at the beginning of the year	48.720.278	88.011.179
Adjustments for the year	23.833.928	-39.290.901
Fair value adjustments at the end of the year	72.554.206	48.720.278
Carrying amount at the end of the year	223.000.000	199.250.000

The company's investment properties consist of one investment property of 15.929 m² located in Høje Taastrup.

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 2023. The valuation report prepared by external valuer assumes an equivalent yield of 5,25% (5,25 % in 2022) and re-let of vacant retail unit within a 12 months period. A change of +/- 0,25 percentage points in the required rate of return means approx. -10.750/ +10.000 t.kr. in changed market value with a Net rent of kr. 11.226.733.

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5. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	147.562.153	5.653.002	147.562.153
	147.562.153	5.653.002	147.562.153

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