

# Alpha 1 A/S

Trianglen 4, 3. tv, 2100 København Ø

CVR no. 34 59 19 97

## Annual report 2022

Approved at the Company's annual general meeting on 22 May 2023

Chair of the meeting:

A handwritten signature in blue ink is written over a horizontal dotted line. The signature is stylized and appears to be a cursive representation of a name.

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## Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Alpha 1 A/S for the financial year 1 January - 31 December 2022.

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

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 22 May 2023  
Executive Board:

  
.....  
Katia Ciesielska

Board of Directors:

  
.....  
Harry Duncan MacDonald  
Chair  
.....  
Katia Ciesielska  
.....  
Carl Edgar Serge Vøgg

## **Independent auditor's report**

**To the shareholders of Alpha 1 A/S**

### **Opinion**

We have audited the financial statements of Alpha 1 A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

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.

### **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 as to 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 the financial statements.

## Independent auditor's report

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 note 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.

### Statement on the Management's review

Management is responsible for the Management's review.

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

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 22 May 2023  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28



Morten Schougaard Sørensen  
State Authorised Public Accountant  
mne32129

## Management's review

### Company details

Name	Alpha 1 A/S
Address, Postal code, City	C/O Pears Global Real Estate Denmark ApS Trianglen 4, 3. tv, 2100 København Ø
CVR no.	34 59 19 97
Established	12 June 2012
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Harry Duncan MacDonald, Chair Katia Ciesielska Carl Edgar Serge Vøgg
Executive Board	Katia Ciesielska
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

## **Management's review**

### **Business review**

The company's purpose is to own and hold shares in companies, buying, selling and renting real estate and any other related business.

### **Financial review**

The income statement for 2022 shows a profit of DKK 2,161,306 against a profit of DKK 2,601,265 last year, and the balance sheet at 31 December 2022 shows equity of DKK 13,443,593.

### **Events after the balance sheet date**

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end 2022.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	2022	2021
	<b>Gross profit</b>	2,770,534	2,267,784
	Amortisation/depreciation and impairment of property, plant and equipment	-1,086,775	-1,084,376
	<b>Profit before net financials</b>	1,683,759	1,183,408
	Income from investments in group entities	1,335,456	321,582
	Financial income, group enterprises	2,078,131	2,856,205
	Financial income	2,654	2,573
	Financial expenses, group enterprises	-1,783,621	-481,430
	Financial expenses	-730,163	-513,596
	<b>Profit before tax</b>	2,586,216	3,368,742
	Tax for the year	-424,910	-767,477
	<b>Profit for the year</b>	2,161,306	2,601,265
	<b>Recommended appropriation of profit</b>		
	Proposed dividend recognised under equity	3,000,000	11,000,000
	Retained earnings/accumulated loss	-838,694	-8,398,735
		2,161,306	2,601,265



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2022	2021
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
	<b>Property, plant and equipment</b>		
	Land and buildings	54,957,359	55,214,430
		<u>54,957,359</u>	<u>55,214,430</u>
	<b>Investments</b>		
	Other receivables	557,362	506,658
		<u>557,362</u>	<u>506,658</u>
	<b>Total fixed assets</b>	<u>55,514,721</u>	<u>55,721,088</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Receivables from group entities	74,271,692	64,523,945
	Other receivables	37,743	373,161
	Deferred income	81,098	6,301
		<u>74,390,533</u>	<u>64,903,407</u>
	<b>Cash</b>	<u>11,034,262</u>	<u>11,692,452</u>
	<b>Total non-fixed assets</b>	<u>85,424,795</u>	<u>76,595,859</u>
	<b>TOTAL ASSETS</b>	<u>140,939,516</u>	<u>132,316,947</u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2022	2021
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
3	Share capital	10,000,000	10,000,000
	Retained earnings	443,593	1,282,287
	Dividend proposed for the year	3,000,000	11,000,000
	<b>Total equity</b>	<b>13,443,593</b>	<b>22,282,287</b>
	<b>Provisions</b>		
	Other provisions	461,429	455,762
5	<b>Total provisions</b>	<b>461,429</b>	<b>455,762</b>
	<b>Liabilities other than provisions</b>		
4	<b>Non-current liabilities other than provisions</b>		
	Mortgage debt	74,459,624	75,364,400
	Deposits	1,492,279	1,507,628
		<b>75,951,903</b>	<b>76,872,028</b>
	<b>Current liabilities other than provisions</b>		
4	Current portion of long-term liabilities	969,581	972,271
	Trade payables	757,870	41,100
	Payables to group entities	48,622,863	30,675,001
	Joint taxation contribution payable	424,910	767,477
	Other payables	307,367	251,021
		<b>51,082,591</b>	<b>32,706,870</b>
	<b>Total liabilities other than provisions</b>	<b>127,034,494</b>	<b>109,578,898</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>140,939,516</b>	<b>132,316,947</b>

- 1 Accounting policies
- 2 Staff costs
- 6 Contractual obligations and contingencies, etc.
- 7 Contingent assets
- 8 Collateral
- 9 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend proposed for the year	Total
Equity at 1 January 2021	10,000,000	9,681,022	2,680,191	22,361,213
Transfer through appropriation of profit	0	-8,398,735	11,000,000	2,601,265
Dividend distributed	0	0	-2,680,191	-2,680,191
Equity at 1 January 2022	10,000,000	1,282,287	11,000,000	22,282,287
Transfer through appropriation of profit	0	-838,694	3,000,000	2,161,306
Dividend distributed	0	0	-11,000,000	-11,000,000
Equity at 31 December 2022	10,000,000	443,593	3,000,000	13,443,593

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Alpha 1 A/S for 2022 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

### Income statement

#### Revenue

Rent comprises rental income from the leases of properties. Rent is recognised on an accruals basis.

Rent is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

#### Gross profit

With reference to section 32 of the Danish Financial Statements Act, the items 'Rent', 'Property expenses', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross profit'.

#### Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to advertising, administration, bad debts, etc.

#### Depreciation

The item comprises depreciation of buildings.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	50 years
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Land is not depreciated.

#### Profit/loss from investments in subsidiaries

The item includes the entity's proportionate share of the profit/loss for the year in subsidiaries and associates after elimination of intra-group income or losses and net of amortisation and impairment of goodwill and other excess values at the time of acquisition.

#### Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. The Danish income tax charge is allocated between profit making and loss making Danish entities in proportion to their taxable income.

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

##### Balance sheet

##### Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

##### Investments

Other receivables comprises of deposits at Grundejernes Investeringsfond.

##### Impairment of fixed assets

The carrying amount of property is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists. Impairment losses on goodwill are not reversed.

##### Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprises bank balances.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Equity

##### *Proposed dividends*

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

##### Provisions

Other provisions comprise maintenance liabilities in accordance with section 22 of the Danish Rent Act and section 18b of the Consolidated act on Temporary Regulation of Housing Conditions. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

##### Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortisable goodwill.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

##### Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 2 Staff costs

The Company has no employees.

#### 3 Share capital

The Company's share capital has remained DKK 10,000,000 over the past 5 years.

#### 4 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 66,281 thousand falls due for payment after more than 5 years after the balance sheet date.

#### 5 Provisions

Maintenance liabilities DKK 461 thousand related to BRL § 22 are expected to fall due after 5 years.

#### 6 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

The company has provided letter of support to subsidiary.

The company is jointly taxed with other Danish group entities and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

#### 7 Contingent assets

The company has a deferred tax asset of DKK 1,449 thousand that has not been capitalized.

#### 8 Collateral

As security for the Company's mortgage debt, the Company has provided security in its assets. The total carrying amount of these assets is DKK 54,957 thousand.

The Company has provided letter of support to Sølvgården ApS.

#### 9 Related parties

##### Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
Neptune Ejendomme ApS	Trianglen 4, 3. tv. Copenhagen	<a href="http://www.cvr.dk">www.cvr.dk</a>