

Bjorn Denmark Propco 2 ApS

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

CVR No. 34625638

Annual Report 2022

11. 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

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Bjorn Denmark Propco 2 ApS

Company details

Company	Bjorn Denmark Propco 2 ApS c/o DEAS A/S Dirch Passers Allé 76 2000 Frederiksberg
CVR No.	34625638
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 Bjorn Denmark Propco 2 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 Bjorn Denmark Propco 2 ApS

Opinion

We have audited the financial statements of Bjorn Denmark Propco 2 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 -3.761.033 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 226.690.009 and an equity of DKK 66.838.185.

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 Bjorn Denmark Propco 2 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.

Hedge accounting

Changes in the fair values of financial instruments that are designated and qualify as fair value hedges of a recognised asset or a recognised liability are recognised in the income statement as are any changes in the fair value of the hedged asset or the hedged liability related to the hedged risk.

Changes in the fair values of derivative financial instruments that are designated and qualify as hedges of expected future transactions are recognised in retained earnings under equity as regards the effective portion of the hedge. The ineffective portion is recognised in the income statement. If the hedged transaction results in an asset or a liability, the amount deferred in equity is transferred from equity and recognised in the cost of the asset or the liability, respectively. If the hedged transaction results in an income or an expense, the amount deferred in equity is transferred from equity to the income statement in the period in which the hedged transaction is recognised. The amount is recognised in the same item as the hedged transaction.

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.

Accounting Policies

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.

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.

Accounting Policies

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.

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.

Accounting Policies

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		8.104.946	7.854.639
Employee costs expense	1	0	0
Value adjustments of investment assets		-11.250.000	23.500.000
Profit from ordinary operating activities		-3.145.054	31.354.639
Income from investments in group enterprises and associates		0	37.133
Other financial income		0	160.881
Financial expenses	2	-1.517.308	-1.544.503
Profit from ordinary activities before tax		-4.662.362	30.008.150
Tax expense on ordinary activities	3	901.329	-6.282.350
Profit		-3.761.033	23.725.800
Proposed distribution of results			
Proposed dividend recognised in equity		5.000.000	9.000.000
Retained earnings		-8.761.033	14.725.800
Distribution of profit		-3.761.033	23.725.800

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Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Assets			
Investment property	4	221.250.000	232.500.000
Property, plant and equipment		221.250.000	232.500.000
Fixed assets		221.250.000	232.500.000
Short-term trade receivables		113.899	165.121
Short-term receivables from group enterprises		804.678	282.042
Short-term tax receivables from group enterprises		0	479.147
Other short-term receivables		578.365	174.474
Prepayments		84.122	283.368
Receivables		1.581.064	1.384.152
Cash and cash equivalents		3.858.945	3.723.059
Current assets		5.440.009	5.107.211
Assets		226.690.009	237.607.211

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Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Contributed capital		3.700.000	3.700.000
Retained earnings		58.138.185	66.899.218
Proposed dividend recognised in equity		5.000.000	9.000.000
Equity		66.838.185	79.599.218
Provisions for deferred tax		56.820.679	58.538.916
Provisions		56.820.679	58.538.916
Payables to group enterprises		90.772.409	90.764.477
Deposits		4.583.393	4.437.751
Long-term liabilities other than provisions	5	95.355.802	95.202.228
Trade payables		191.847	431.228
Payables to group enterprises		6.060.745	2.291.148
Tax payables to group enterprises		897.916	878.589
Other payables		524.835	665.884
Short-term liabilities other than provisions		7.675.343	4.266.849
Liabilities other than provisions within the business		103.031.145	99.469.077
Liabilities and equity		226.690.009	237.607.211
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 2022	3.700.000	66.899.218	9.000.000	79.599.218
Dividend paid	0	0	-9.000.000	-9.000.000
Profit (loss)	0	-8.761.033	5.000.000	-3.761.033
Equity 31 December 2022	3.700.000	58.138.185	5.000.000	66.838.185

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

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Notes

	2022	2021
1. Employee costs expense		
Average number of employees	<u>0</u>	<u>0</u>
2. Finance expenses		
Finance expenses arising from group enterprises	1.345.991	303.582
Other finance expenses	<u>171.317</u>	<u>1.240.921</u>
	<u>1.517.308</u>	<u>1.544.503</u>
3. Tax expense		
Current tax for the year	981.588	878.589
Adjustment deferred tax	-1.736.363	5.851.113
Adjustment current tax, previous periods	-164.680	-447.352
Adjustment deferred tax, previous periods	<u>18.126</u>	<u>0</u>
	<u>-901.329</u>	<u>6.282.350</u>
4. Investment property		
Cost at the beginning of the year	<u>131.889.145</u>	<u>131.889.145</u>
Cost at the end of the year	<u>131.889.145</u>	<u>131.889.145</u>
Fair value adjustments at the beginning of the year	100.610.855	77.110.855
Adjustments for the year	<u>-11.250.000</u>	<u>23.500.000</u>
Fair value adjustments at the end of the year	<u>89.360.855</u>	<u>100.610.855</u>
Carrying amount at the end of the year	<u>221.250.000</u>	<u>232.500.000</u>

The company's investment properties consist of one investment property of 24.100 m2 located in Køge.

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.

The valuation report assumes an initial yield of 3,83 % and re-let of vacant retail unit within a 12 months period.

A return requirement of 3,83 % has been used in the valuation. A change of +/- 0,25 percentage points in the required rate of return means approx. -9.750 / +10.750 t.kr. in changed market value with a Net rent of kr. 8.532.864.

Bjorn Denmark Propco 2 ApS
Notes

5. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	90.772.409	6.060.745	90.772.409
Deposits	4.583.393	0	0
	95.355.802	6.060.745	90.772.409

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:
Bjorn Denmark Bidco 3 ApS