FTSI Ophelia A/S

c/o Harbour House

Sundkrogsgade 21, DK-2100 Copenhagen

CVR no. 34 73 70 37

Annual report for 2022

Adopted at the annual general meeting on 31 May 2023

Katrine Kofoed
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of FTSI Ophelia 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 company's financial position at 31 December 2022 and of the results of the company's operations for the financial year 1 January - 31 December 2022.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 31 May 2023

Executive board

David Bryan Mack

Supervisory board

Peter Matzen Drachmann

Digitally signed by Peter Matzen Drachmann
Date: 2023-06-06 09:12:34+02:00

David Bryan Mack

Kimmie Kubis Tronborg

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Date: 2023-06-06 09:23:18+02:00

Independent auditor's report

To the shareholder of FTSI Ophelia A/S

Opinion

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.

We have audited the financial statements of FTSI Ophelia 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 a summary of significant accounting policies ("financial statements").

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 are independent of the company in accordance with the International Ethics Standards Board for Accountant's 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 IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on management's review

Management is responsible for management's review.

Our opinion on the financial statements does not cover 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 management's review and, in doing so, consider whether 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 management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that management's review 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 management's review.

Independent auditor's report

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 the 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 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 company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent auditor's report

- 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 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.

Hellerup, 31 May 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Kenneth Østergaard
Digitally signed by Kenneth Østergaard
Date: 2023-06-06 16:50:57+02:00

Kenneth Østergaard
State Authorised Public Accountant
MNE no. mne47262

Company details

The company	FTSI Ophelia A/S Sundkrogsgade 21 c/o Harbour House DK-2100 Copenhagen	
	CVR no.:	34 73 70 37
	Reporting period:	1 January - 31 December 2022
	Domicile:	Copenhagen
Supervisory board	Peter Matzen Drachmann David Bryan Mack Kimmie Kubis Tronborg	
Executive board	David Bryan Mack	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup	
Consolidated financial statements	The company is included in the group report of the parent conpany FTSI Holdco, S.à.r.l. The group report can be obtained at the following address: 49, Avenue John F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	

Management's review

Business review

The object of the company is to conduct business by purchase and sale of real estate as well as administration and management of real estate and other related activities.

Financial review

The company's income statement for the year ended 31 December 2022 shows a loss of TDKK 1.457, and the balance sheet at 31 December 2022 shows equity of TDKK 22.128.

Merger

During the year, the company merged with the parent company FTSI Denmark TopCo ApS, in a reverse vertical merger, where the subsidiary is the continuing entity. The reverse vertical merger is treated according to the pooling-of-interests method, following the rules on intra-group business combinations. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2022	2021
		TDKK	TDKK
Revenue		**14.064**	**13.636**
Other external expenses		-2.092	-1.660
Gross profit		**11.972**	**11.976**
Fair value adjustments of other investment assets		-7.261	23.177
Profit/loss before net financials		**4.711**	**35.153**
Financial income		0	31
Financial expenses	2	-5.797	-5.564
Profit/loss before tax		**-1.086**	**29.620**
Tax on profit/loss for the year	3	-371	-7.976
Profit/loss for the year		**-1.457**	**21.644**

Distribution of profit

Proposed dividend for the year	5.457	6.500
Retained earnings	-6.914	15.144
	-1.457	**21.644**

Balance sheet 31 December

	Note	2022 TDKK	2021 TDKK
Assets			
Investment properties		288.900	295.400
Tangible assets	4	**288.900**	**295.400**
Total non-current assets		**288.900**	**295.400**
Other receivables		143	105
Receivables		**143**	**105**
Cash at bank and in hand		**6.268**	**7.002**
Total current assets		**6.411**	**7.107**
Total assets		**295.311**	**302.507**

Balance sheet 31 December

	Note	2022	2021
		TDKK	TDKK
Equity and liabilities			
Share capital		10.001	10.000
Retained earnings		6.670	13.585
Proposed dividend for the year		5.457	6.500
Equity		**22.128**	**30.085**
Provision for deferred tax		27.593	29.343
Total provisions		**27.593**	**29.343**
Mortgage loans		108.630	108.630
Payables to group entities		129.435	126.045
Deposits		5.630	5.243
Total non-current liabilities	5	**243.695**	**239.918**
Trade payables		313	889
Corporation tax		1.582	2.272
Total current liabilities		**1.895**	**3.161**
Total liabilities		**245.590**	**243.079**
Total equity and liabilities		**295.311**	**302.507**
Staff expenses	1		
Contingent liabilities	6		
Mortgages and collateral	7		

Statement of changes in equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
Equity at 1 January 2022	10.000	126.417	6.500	142.917
Net effect from merger and acquisition under the pooling-of-interests method	1	-112.833	0	-112.832
Adjusted equity at 1 January 2022	10.001	13.584	6.500	30.085
Ordinary dividend paid	0	0	-6.500	-6.500
Net profit/loss for the year	0	-6.914	5.457	-1.457
Equity at 31 December 2022	**10.001**	**6.670**	**5.457**	**22.128**

Notes

1	Staff expenses	2022 TDKK	2021 TDKK
	Average number of employees	0	0

2	Financial expenses	2022 TDKK	2021 TDKK
	Financial expenses, group entities	5.007	4.848
	Other financial costs	787	703
	Exchange loss	3	13
		5.797	**5.564**

3	Tax on profit/loss for the year	2022 TDKK	2021 TDKK
	Current tax for the year	1.588	1.719
	Deferred tax for the year	-1.749	6.244
	Adjustment of tax concerning previous years	532	13
		371	**7.976**

Notes

4 Tangible assets

	Investment properties
Cost at 1 January 2022	172.479
Additions for the year	761
Disposals for the year	0
Cost at 31 December 2022	173.240
Revaluations at 1 January 2022	122.921
Revaluations for the year	-7.261
Revaluations at 31 December 2022	115.660
Carrying amount at 31 December 2022	**288.900**

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods (DCF calculations) based on management's expectations for future cash flow, required rate of return etc. The estimates applied are based on information and assumptions considered reasonable by management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material.

5 Long term debt

	Debt at 1 January 2022	Debt at 31 December 2022	Instalment next year	Debt outstanding after 5 years
Mortgage loans	108.630	108.630	0	0
Payables to group entities	126.045	129.435	0	9.869
Deposits	5.243	5.630	0	0
	239.918	**243.695**	**0**	**9.869**

Notes

6 Contingent liabilities

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

7 Mortgages and collateral

Land and buildings at a carrying amount of TDKK 288.900 at 31 December 2022 have been provided as security for mortgage debt totalling TDKK 108.630.

Accounting policies

The annual report of FTSI Ophelia A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

Merger
During the year, the company merged with the parent company FTSI Denmark TopCo ApS, in a reverse vertical merger, where the subsidiary is the continuing entity. The reverse vertical merger is treated according to the pooling-of-interests method, following the rules on intra-group business combinations. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

The accounting policies applied are consistent with those of last year.

The annual report for 2022 is presented in TDKK.

Basis of recognition and measurement
Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow 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 will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Accounting policies

Income statement

Revenue

Income comprises of rent, which is recognised in the income statement over the renting period.

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other external expenses

Other external expenses include expenses related to administration, premises etc.

Value adjustments of investment properties

Value adjustments of investment property comprise the year's changes in the fair value of investment property.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

Accounting policies

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed investment properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labor, materials, components and sup suppliers up until the time when the asset is ready for use.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognized in the income statement.

The fair value of investment properties has been assessed by the independent assessor firm at Jones Lang LaSalle at 31 December 2022.

The discount rate is determined at 7,0%. The calculations are based on property budgets for the years 2022-2031, in which a 2% index is applied.

The estimates applied are based on information and assumptions considered reasonable by Management, but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material.

Receivables
Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments
Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents
Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax
Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Accounting policies

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.