

Alpha 3 A/S

Trianglen 4, 3. tv, 2100 København Ø

CVR no. 35 23 01 65

Annual report 2023

Approved at the Company's annual general meeting on 23 May 2024

Chair of the meeting:



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Carl Edgar Serge Vøgg

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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 3 A/S for the financial year 1 January - 31 December 2023.

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

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.

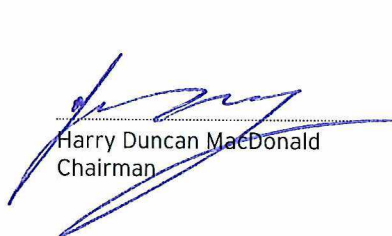
Copenhagen, 23 May 2024

Executive Board:



Stephan Schmitz

Board of Directors:



Harry Duncan Macdonald
Chairman



Stephan Schmitz



Carl Edgar Serge Vøgg

Independent auditor's report

To the shareholders of Alpha 3 A/S

Opinion

We have audited the financial statements of Alpha 3 A/S for the financial year 1 January - 31 December 2023, 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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 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, 23 May 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Morten Schougaard Sørensen
State Authorised Public Accountant
mne32129

Management's review

Company details

Name	Alpha 3 A/S
Address, Postal code, City	C/O Pears Global Real Estate Denmark ApS Trianglen 4, 3. tv, 2100 København Ø
CVR no.	35 23 01 65
Registered office	Copenhagen
Financial year	1 January - 31 December
Board of Directors	Harry Duncan MacDonald, Chairman Stephan Schmitz Carl Edgar Serge Vøgg
Executive Board	Stephan Schmitz
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, renting real estate and any other related business.

Financial review

The income statement for 2023 shows a loss of DKK 2,592,694 against a profit of DKK 820,650 last year, and the balance sheet at 31 December 2023 shows equity of DKK 7,921,505.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end 2023.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2023	2022
	Gross profit	11,341,451	6,807,827
	Amortisation/depreciation and impairment of property, plant and equipment	-4,933,337	-4,450,376
	Profit before net financials	6,408,114	2,357,451
	Financial income, group enterprises	3,476,525	1,679,066
	Financial income	34,977	84,575
	Financial expenses, group enterprises	-2,802,627	-1,360,179
	Financial expenses	-9,838,833	-2,640,952
	Profit/loss before tax	-2,721,844	119,961
	Tax for the year	129,150	700,689
	Profit/loss for the year	-2,592,694	820,650
	Recommended appropriation of profit/loss		
	Proposed dividend recognised under equity	0	1,500,000
	Retained earnings/accumulated loss	-2,592,694	-679,350
		-2,592,694	820,650

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	ASSETS		
	Fixed assets		
	Property, plant and equipment		
	Land and buildings	239,364,845	238,140,716
		<u>239,364,845</u>	<u>238,140,716</u>
	Total fixed assets	<u>239,364,845</u>	<u>238,140,716</u>
	Non-fixed assets		
	Receivables		
	Receivables from group entities	73,372,785	69,164,741
	Joint taxation contribution receivable	129,150	700,689
	Other receivables	137,072	18,684
	Deferred income	0	80,157
		<u>73,639,007</u>	<u>69,964,271</u>
	Total non-fixed assets	<u>73,639,007</u>	<u>69,964,271</u>
	TOTAL ASSETS	<u><u>313,003,852</u></u>	<u><u>308,104,987</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	EQUITY AND LIABILITIES		
	Equity		
3	Share capital	10,000,000	10,000,000
	Retained earnings	-2,078,495	514,199
	Dividend paid for the year	0	1,500,000
	Total equity	<u>7,921,505</u>	<u>12,014,199</u>
	Provisions		
	Other provisions	134,311	157,901
5	Total provisions	<u>134,311</u>	<u>157,901</u>
	Liabilities other than provisions		
4	Non-current liabilities other than provisions		
	Mortgage debt	232,500,290	232,222,558
	Deposits	7,792,033	6,699,784
		<u>240,292,323</u>	<u>238,922,342</u>
	Current liabilities other than provisions		
4	Current portion of long-term liabilities	1,371,267	1,409,919
	Trade payables	643,373	5,999,869
	Payables to group entities	61,679,612	48,795,052
	Other payables	961,461	805,705
		<u>64,655,713</u>	<u>57,010,545</u>
	Total liabilities other than provisions	<u>304,948,036</u>	<u>295,932,887</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>313,003,852</u></u>	<u><u>308,104,987</u></u>

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

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Dividend payed for the year	Total
Equity at 1 January 2022	10,000,000	1,193,549	7,500,000	18,693,549
Transfer through appropriation of profit	0	-679,350	1,500,000	820,650
Dividend distributed	0	0	-7,500,000	-7,500,000
Equity at 1 January 2023	10,000,000	514,199	1,500,000	12,014,199
Transfer through appropriation of loss	0	-2,592,694	0	-2,592,694
Dividend distributed	0	0	-1,500,000	-1,500,000
Equity at 31 December 2023	10,000,000	-2,078,495	0	7,921,505

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Alpha 3 A/S for 2023 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

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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'.

Expenses, property

Property expenses include expenses relating to renting out the Company's investment property, including expenses relating to running and maintaining such property.

Other external expenses

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, 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.

Financial income and expenses

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

Tax

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 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 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.

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.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial 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 expected maintenance liabilities in accordance with section 22 of the Consolidated act on Temporary Regulation of Housing Condition. Provisions are recognised when, as a result of past events, the Company has 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

The Company has chosen IAS 39 as interpretation for 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 225,429 thousand falls due for payment after more than 5 years after the balance sheet date.

5 Provisions

Other provisions

External maintenance - BRL § 22 DKK 134 thousand.

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

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

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.

Other financial obligations

As part of the business of the company it is part in minor legal disputes with a tenants

7 Contingent assets

The Company has a deferred tax asset of DKK 538 thousand that has not been capitalized.

8 Security and collateral

As security for the company's mortgage debt, the company has placed assets with carrying amount of DKK 239,365 thousand.

9 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Neptune Ejendomme ApS	Triangeln 4, 3. tv., Copenhagen	www.cvr.dk