

Herlev - Big Shopping PropCo ApS

Sankt Annæ Plads 13, 2. th.
1250 København K

CVR no. 35 39 26 61

Annual report for 2021

(8th Financial year)

Adopted at the annual general meeting
on 22 June 2022

Ole Meier Sørensen
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Herlev - Big Shopping PropCo ApS for the financial year 1 January - 31 December 2021.

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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021.

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, 22 June 2022

Executive board

Grant Broadway
Director

Ole Meier Sørensen
Director

Robert Johan Mauritz Göthe
Director

Independent auditor's report

To the shareholder of Herlev - Big Shopping PropCo ApS

Opinion

We have audited the financial statements of Herlev - Big Shopping PropCo ApS for the financial year 1 January - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under 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 2021 and of the results of the company's operations for the financial year 1 January - 31 December 2021 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 are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional 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.

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.

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 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.

Independent auditor's report

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.

Hellerup, 22 June 2022
CVR no. 33 77 12 31

Maj-Britt Nørskov Nannestad
Statsautoriseret revisor
MNE no. mne32198

Jacob Dannefer
Statsautoriseret revisor
MNE no. mne47886

Company details

The company

Herlev - Big Shopping PropCo ApS
Sankt Annæ Plads 13, 2. th.
1250 København K

CVR no.: 35 39 26 61

Reporting period: 1 January - 31 December 2021

Incorporated: 1 July 2013

Domicile: Copenhagen

Executive board

Grant Broadway
Ole Meier Sørensen
Robert Johan Mauritz Göthe

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionsinteressentskab
Strandvejen 44
2900 Hellerup

Management's review

Business review

The main activity of the Company is investment and development of property.

Financial review

The company's income statement for the year ended 31 December 2021 shows a profit of DKK 48.621.054, and the balance sheet at 31 December 2021 shows equity of DKK 402.091.704.

Denmark have had very limited Covid-19 lockdowns resulting in less effect on the economy as whole compared to other European countries. Covid-19 hasn't had any major impact on the Danish real estate market. The company operates in the retail property market which have seen increased vacancies due to Covid-19. The pandemic has, inevitably, hit some businesses but there has been no impact on this company.

Significant events occurring after the end of the financial year

The Company Herlev – Big Shopping PropCo ApS will be merged with Herlev – Big Shopping Park ApS during the financial year 2022.

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

Accounting policies

The annual report of Herlev - Big Shopping PropCo ApS for 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B and the Accounting Standard on small enterprises, as well as provisions applying to reporting class C entities.

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

The annual report for 2021 is presented in DKK.

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

Gross profit

Gross profit reflects an aggregation of revenue less other external expenses.

Revenue

Rental income is recognised on a straight line-basis over the term of the lease.

Other external costs

Other external costs include expenses related to administration and property costs. Property costs include costs incurred to operate the Company's properties in the financial year, including repair and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

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

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

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.

Accounting policies

Balance sheet

Tangible assets

Investment properties

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus any directly related acquisition costs.

After initial recognition, the properties are measured at fair value which represents the amount at which the individual property may be sold to an independent buyer. The investment property has been valued based on an external estate agent's valuation using the Direct Capitalisation approach. Fair value adjustments for the financial year are recognised in the income statement.

On subsequent recognition, investment property is measured at cost less the year's depreciation and impairment losses. Investment properties are measured at fair value. Value adjustments of investment properties on subsequent recognition, investment property is measured at cost less the year's depreciation and impairment losses.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

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

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

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

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

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.

Liabilities

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Income statement
1 January 2021 - 31 December 2021

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Revenue		64.783.864	63.968.415
Other external costs		-8.104.529	-7.065.721
Gross profit		56.679.335	56.902.694
Fair value adjustments of investment properties		21.806.957	-195.783.046
Profit/loss before net financials		78.486.292	-138.880.352
Financial income		0	538
Financial costs	1	-16.120.539	-6.290.914
Profit/loss before tax		62.365.753	-145.170.728
Tax on profit/loss for the year	2	-13.744.699	31.937.543
Profit/loss for the year		<u>48.621.054</u>	<u>-113.233.185</u>
 Recommended appropriation of profit/loss			
Retained earnings		48.621.054	-113.233.185
		<u>48.621.054</u>	<u>-113.233.185</u>

Balance sheet at 31 December 2021

	<u>Note</u>	<u>2021</u> DKK	<u>2020</u> DKK
Assets			
Investment properties	3	<u>1.135.354.839</u>	<u>1.112.600.000</u>
Tangible assets		<u>1.135.354.839</u>	<u>1.112.600.000</u>
Total non-current assets		<u>1.135.354.839</u>	<u>1.112.600.000</u>
Trade receivables		683.355	335.849
Other receivables		<u>0</u>	<u>2.902.431</u>
Receivables		<u>683.355</u>	<u>3.238.280</u>
Cash at bank and in hand		<u>8.852.505</u>	<u>28.211.806</u>
Total current assets		<u>9.535.860</u>	<u>31.450.086</u>
Total assets		<u><u>1.144.890.699</u></u>	<u><u>1.144.050.086</u></u>

Balance sheet at 31 December 2021

	Note	2021 DKK	2020 DKK
Equity and liabilities			
Share capital		5.080.000	5.080.000
Retained earnings		397.011.704	348.390.651
Equity		402.091.704	353.470.651
Provision for deferred tax		116.976.365	107.308.668
Total provisions		116.976.365	107.308.668
Mortgage loans		0	627.436.635
Payables to Group entities		617.893.276	0
Deposits		1.341.253	1.170.151
Total non-current liabilities	4	619.234.529	628.606.786
Short-term part of long-term debet	4	0	40.771.301
Trade payables		34.581	4.539
Payables to Group entities		995.903	3.426.231
Corporation tax		4.077.002	6.303.320
Other payables		1.480.615	4.158.590
Total current liabilities		6.588.101	54.663.981
Total liabilities		625.822.630	683.270.767
Total equity and liabilities		1.144.890.699	1.144.050.086
Staff costs	5		
Contingent liabilities	6		
Mortgages and collateral	7		

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2021	5.080.000	348.390.650	353.470.650
Net profit/loss for the year	0	48.621.054	48.621.054
Equity at 31 December 2021	<u>5.080.000</u>	<u>397.011.704</u>	<u>402.091.704</u>

Notes

	<u>2021</u>	<u>2020</u>
	DKK	DKK
1 Financial costs		
Interest paid to Group entities	1.110.089	0
Other financial costs	<u>15.010.450</u>	<u>6.290.914</u>
	<u>16.120.539</u>	<u>6.290.914</u>
2 Tax on profit/loss for the year		
Current tax for the year	4.077.002	6.303.320
Deferred tax for the year	<u>9.667.697</u>	<u>-38.240.863</u>
	<u>13.744.699</u>	<u>-31.937.543</u>
3 Assets measured at fair value		
		<u>Investment pro- perties</u>
Cost at 1 January 2021		806.939.112
Additions for the year		<u>947.882</u>
Cost at 31 December 2021		<u>807.886.994</u>
Revaluations at 1 January 2021		305.660.888
Revaluations for the year		<u>21.806.957</u>
Revaluations at 31 December 2021		<u>327.467.845</u>
Carrying amount at 31 December 2021		<u>1.135.354.839</u>

Notes

Disclosure of the assumptions underlying fair value calculations of assets and liabilities

The fair value is based on a level 3 assessment. The investment property has been valued based on an external estate agent's valuation using the Direct capitalization approach. The estate agent has set the required rate of return at 5,50%. The budgeted rental income has been determined based on leases entered into. The operating expenses of the property - including maintenance costs that often have an aperiodic structure - have been determined using an on-average basis. The return set for the year has been capitalised by the required rate of return defined. Based on this, the investment property has been recognized at DKK 1.135.354.839.

The assumptions below are based on the total value of DKK 1.135.354.839, Gross income per sqm: DKK 1.547, Net income per sqm: DKK 1.471.

The sensitivity related to the calculation can be reflected as follows:

Value at a rate of return of 5.25% (5.50% less 0.25%) DKK 1.189.419.355.

Value at a rate of return of 5,75% (5.50% plus 0.25%) DKK 1.085.991.585.

The valuation of the property is based on estimates and relies on a number of uncertain factors, including expected developments in the property market and the attractiveness of the property. The Company believes that the external estate agent's valuation is the best measure of the value of the property at 31 December 2021.

4 Long term debt

	Debt at 1 January 2021	Debt at 31 December 2021	Instalment next year	Debt outstanding after 5 years
Mortgage loans	668.207.936	0	0	0
Payables to Group entities	0	617.893.276	0	617.893.276
Deposits	1.170.151	1.341.253	0	1.341.253
	669.378.087	619.234.529	0	619.234.529

5 Staff costs

The company has no employees.

Notes

6 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 divided tax, royalty and tax on unearned income. The total amount of tax payables until 1 December 2021 is included in the Annual Report of Herlev - Big Shopping Park ApS and total amount of tax payables for the period 1 – 31 December 2021 is included in the annual report of BIG Shopping Holding ApS, with the latter company taking over as the administration Company in relation to the joint taxation, following the purchase of the shares in Herlev - Big Shopping Park ApS.

7 Mortgages and collateral

The company has no mortgages and collateral.