
Købmagergade 39 ApS

c/o Fokus Assets Management, Bomhusvej 13, 1.,
DK-2100

Annual Report for 1 January - 31 December 2021

CVR No 35 82 51 42

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
15/7 2022

Christophe Proffit
Chairman of the General
Meeting

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	5
Management's Review	6
Financial Statements	
Income Statement 1 January - 31 December	7
Balance Sheet 31 December	8
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Købmagergade 39 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 financial position at 31 December 2021 of the Company and of the results of the Company operations for 2021.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 15 July 2022

Executive Board

Andrea Giuliani

Filip Sevcik

Christophe Robert Marcel
Proffit

Independent Auditor's Report

To the Shareholder of Købmagergade 39 ApS

Opinion

We have audited the financial statements of Købmagergade 39 ApS for the financial year 1 January – 31 December 2021, comprising income statement, balance sheet 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 Company's assets, liabilities and 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' 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.

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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.

Statement on 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

Independent Auditor's Report

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.

København, 15 July 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR No 25 57 81 98

Henrik Y. Jensen

State Authorised Public Accountant

mne35442

Company Information

The Company

Købmagergade 39 ApS
c/o Fokus Assets Management
Bomhusvej 13, 1.
DK-2100

CVR No: 35 82 51 42

Financial period: 1 January - 31 December

Municipality of reg. office: Copenhagen

Executive Board

Andrea Giuliani
Filip Sevcik
Christophe Robert Marcel Proffit

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø

Management's Review

Key activities

The main fokus for the company is investment in real estate and other related investments.

Development in the year

The income statement of the Company for 2021 shows a profit of DKK 9,902,596, of which value adjustments amount to DKK 904,316, and at 31 December 2021 the balance sheet of the Company shows equity of DKK 95,690,893.

Uncertainty relating to recognition and measurement

As the company's purpose is investment in properties, the Company is affected by changes in the property market, including the general level of interest rates and economic conditions.

In the valuation of the High Street property an exit yield of 3.00% and a discount factor of 5.00% have been applied. According to the assumptions adopted in the valuation report ground and first floor are expected to be re-leased by the end of 2022. Transaction comparables of High Street properties are limited and the recent transaction in Købmagergade is dated back to 2019, mainly due to the fact, that the Covid 19 pandemic began in the beginning of 2020, which fundamentally limited market activity until spring 2022, because of various state's measures against virus spreading. In the valuation prepared by an independent and reputable valuer (JLL) after considering all the pros and cons of the asset, especially the corner location of the property and the quality of the building an exit yield of 3.00% was applied. Please see sensitivity analysis in note 4 and furthermore note 2.

Subsequent events

The Company's outlook for the future will be negatively affected by the COVID-19 outbreak and the measures taken by governments in most of the world to mitigate the impacts of the outbreak, see also subsequent events disclosures in note 1.

Company Management has tried to estimate the effect of COVID-19 on the expected revenue and net profit of the Company. It is, however, too early yet to give an opinion as to the extent of the negative implications. Therefore, Management finds itself unable to disclose reliably its outlook for the future in accordance with section 12 of the Danish Financial Statements Act.

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 TDKK
Gross profit before value adjustments		15.968.382	5.103
Value adjustments of investment assets		904.316	-27.118
Gross profit/loss after value adjustments		16.872.698	-22.015
Financial expenses	1	-4.177.073	-4.098
Profit/loss before tax		12.695.625	-26.113
Tax on profit/loss for the year	3	-2.793.029	5.756
Net profit/loss for the year		9.902.596	-20.357

Distribution of profit

Proposed distribution of profit

Retained earnings	9.902.596	-20.357
	9.902.596	-20.357

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 TDKK
Investment properties		234.400.000	233.402
Property, plant and equipment	4	234.400.000	233.402
Fixed assets		234.400.000	233.402
Trade receivables		2.097.399	1.772
Prepayments		52.495	8
Receivables		2.149.894	1.780
Cash at bank and in hand		15.965.171	6.383
Currents assets		18.115.065	8.163
Assets		252.515.065	241.565

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 TDKK
Share capital	5	50.000	50
Retained earnings		95.640.893	85.739
Equity		95.690.893	85.789
Provision for deferred tax	6	27.939.722	25.224
Provisions		27.939.722	25.224
Payables to group enterprises		122.898.067	122.898
Deposits		3.755.534	3.442
Long-term debt	7	126.653.601	126.340
Prepayments received from customers		48.790	76
Trade payables		61.402	737
Payables to group enterprises	7	322.634	323
Corporation tax		77.418	0
Other payables		1.720.605	3.076
Short-term debt		2.230.849	4.212
Debt		128.884.450	130.552
Liabilities and equity		252.515.065	241.565
Uncertainty relating to recognition and measurement of investment properties	2		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
Accounting Policies	10		

Statement of Changes in Equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	50.000	85.738.297	85.788.297
Net profit/loss for the year	0	9.902.596	9.902.596
Equity at 31 December	50.000	95.640.893	95.690.893

Notes to the Financial Statements

	2021 DKK	2020 TDKK
1 Financial expenses		
Interest paid to group enterprises	4.055.636	4.056
Other financial expenses	121.437	42
	4.177.073	4.098

2 Uncertainty relating to recognition and measurement of investment properties

In the valuation of the High Street property an exit yield of 3.00% and a discount factor of 5.00% have been applied. According to the assumptions adopted in the valuation report ground and first floor are expected to be re-leased by the end of 2022. Transaction comparables of High Street properties are limited and the recent transaction in Købmagergade is dated back to 2019, mainly due to the fact, that the Covid 19 pandemic began in the beginning of 2020, which fundamentally limited market activity until spring 2022, because of various state's measures against virus spreading. In the valuation prepared by an independent and reputable valuer (JLL) after considering all the pros and cons of the asset, especially the corner location of the property and the quality of the building an exit yield of 3.00% was applied. Please see sensitivity analysis in note 4.

3 Tax on profit/loss for the year

Current tax for the year	77.418	0
Deferred tax for the year	2.715.611	-5.756
	2.793.029	-5.756

4 Assets measured at fair value

	Investment pro- perties DKK
Cost at 1 January	113.090.073
Additions for the year	95.684
Cost at 31 December	113.185.757
Value adjustments at 1 January	120.309.927
Revaluations for the year	904.316
Value adjustments at 31 December	121.214.243
Carrying amount at 31 December	234.400.000

Notes to the Financial Statements

4 Assets measured at fair value (continued)

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The determination of fair value is based on a DCF model, and Management uses accounting estimates when determining the fair value. The use of accounting estimates implies that the statement of fair value is subject to some uncertainty. The fair value is stated based on assumptions that Management considers probable and realistic. Management reassesses assumptions on a current basis, and any changes to the assumptions are reflected in the fair value. The yield assessed is 3.0%. If the yield changes by + 0.25% the fair value will decrease with DKK 18 mil. while a change of -0,25% will increase the fair value with DKK 21.0 mil. The value is estimated by management. An external valuee has been involved.

5 Equity

The share capital consists of 100 shares of a nominal value of DKK 500. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

6 Provision for deferred tax

Deferred tax comprise primarily of tax regarding fair value adjustment. Included in deferred tax is value at taxable losses carried forward at DKK 14 mil. of which DKK 9 mil. will be utilized in 2021.

7 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2021 DKK	2020 TDKK
Payables to group enterprises		
After 5 years	122.898.067	122.898
Long-term part	122.898.067	122.898
Other short-term debt to group enterprises	322.634	323
	123.220.701	123.221

Notes to the Financial Statements

7 Long-term debt (continued)

	2021 DKK	2020 TDKK
Deposits		
Between 1 and 5 years	3.755.534	3.442
Long-term part	3.755.534	3.442
Within 1 year	0	0
	3.755.534	3.442

The loans to Group Companies are free of installments and are due 2025.

8 Contingent assets, liabilities and other financial obligations

Contingent liabilities

The company was jointly taxed together with Danish group companies until the shares were purchased by Generali Europe Income Holding S.A at 2 July 2018.

The company is jointly and severally liable for tax on the jointly taxed incomes etc of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

The company is a part to an ongoing construction project with the municipality. The municipality is revisiting a previous building licence due to a complaint regarding the height of a wall in the boundary. It is not possible to determine how large the potential claim could potentially be or the risk associated with it. If the company potentially incurs liability, the management will request compensation from the former owner of the company.

Notes to the Financial Statements

9 Related parties

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Consolidated Financial Statements

The company is included in the consolidated report for the parent company

<u>Name</u>	<u>Place of registered office</u>
Generali Europe Income Holding S.A	Luxembourg

The Group Annual Report of Generali Europe Income Holding S.A may be obtained at the following address:

4, rue Jean Monnet
L-2180 Luxembourg
Luxembourg

Notes to the Financial Statements

10 Accounting Policies

The Annual Report of Købmagergade 39 ApS for 2021 has been prepared 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.

The Financial Statements for 2021 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. 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 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates 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.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Notes to the Financial Statements

10 Accounting Policies (continued)

Income Statement

Revenue

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

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Expenses concerning investment properties

Expenses concerning investment properties primarily include operating expenses for the year.

Other external expenses

Other external expenses comprise administration expenses, etc.

Gross profit/loss before value adjustments

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses concerning investment properties and other external expenses.

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

Tax for the year consists of current tax for the year and changes in deferred tax for 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 wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

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.

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 labour, ma-

Notes to the Financial Statements

10 Accounting Policies (continued)

materials, components and sub-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 recognised in the income statement.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

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.

The valuation is based on the valuation report from the external valuer Jones Lang LaSalle.

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. The assumptions applied are disclosed in the notes.

The fair value of certain investment properties has been determined using a return-based model under which the expected normalized cash flows for the coming year combined with a rate of return form the basis of the fair value of the property. The calculations are based on property budgets for the coming years. The budget takes into account developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The budgeted cash flow is divided by the estimated rate of return to arrive at the fair value of the property. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

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.

Rental discounts are capitalized as they are given and depreciated on a straight-line basis over the non-cancellability of the lease.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

10 Accounting Policies (continued)

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

Deferred tax assets and liabilities

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 equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial debts

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