Bjorn Denmark Propco 3 ApS

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

CVR No. 36459824

Annual Report 2023

10. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 28 June 2024

Jean-Francois Pascal E. Bossy
Chairman

Contents

Management's Statement

Today, Management has considered and adopted the Annual Report of Bjorn Denmark Propco 3 ApS for the financial year 1 January 2023 - 31 December 2023.

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

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, 28 June 2024

Executive Board

Donatella Fanti	Andrea Corsi	Jean-Francois Pascal E. Bossy
CEO	CEO	CEO

Independent Auditors' Report

To the shareholders of Bjorn Denmark Propco 3 ApS

Opinion

We have audited the financial statements of Bjorn Denmark Propco 3 ApS for the financial year 1 January 2023 - 31 December 2023, which comprise an income statement, balance sheet, statement of changes in equity and notes. 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 financial position at 31 December 2023 and of the results of its operations for the financial year 1 January 2023 - 31 December 2023 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 responsibilities under those standards and requirements are further described in the "Auditor's responsibilities 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' 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 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.

The 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 effectiveness of the Entity's internal control.

Independent Auditors' Report

* 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 Management's Review
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, 28 June 2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR-no. 33963556

Chris Middelhede
State Authorised Public Accountant
mne45823

Company details

Company	Bjorn Denmark Propco 3 ApS c/o DEAS A/S Dirch Passers Allé 76 2000 Frederiksberg CVR-no.: 36459824
Executive Board	Donatella Fanti Andrea Corsi Jean-Francois Pascal E. Bossy
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Værkmestergade 2 8000 Aarhus C CVR-no.: 33963556

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 2023 - 31 December 2023 shows a result of DKK -64.392.332 and the Balance Sheet at 31 December 2023 a balance sheet total of DKK 801.271.416 and an equity of DKK 146.622.999.

Profit/loss for the year compared to the expected development
This year's operating profit before tax is in line with expected.

Post financial year events
No events have occured after the balance sheet date which would influence the evaluation of the annual report.

Future expectations
The company expects operating profits before tax in 2024 to be in line with operating profits before tax in 2023.

Key Figures and Financial Ratios

The development in the Company's key figures and financial ratios can be described as follows:
Numbers appear in thousands

	2023	2022	2021	2020	2019
Gross profit	22.127	29.562	24.164	22.891	21.054
Operating profit/loss	-69.989	-22.938	96.825	166.896	22.371
Net financial income and expenses	-12.538	-8.777	-8.070	-29.398	-14.992
Profit/loss for the year	-64.392	-24.638	70.081	107.454	3.960
Total balance	791.900	898.971	953.261	875.887	739.634
Investment in non-current assets	0	0	6.839	2.986	650
Total equity	146.623	218.015	266.653	251.108	161.107
Return on equity (ROE) (%)	-35	-10	27	52	2
Solvency ratio (%)	18	24	28	29	22

For definitions of key ratios, see Accounting and Valuation Principles

Return on equity (%) $= \dfrac{\text{Profit/loss for the year}}{\text{Avg. equity}}$

Solvency ratio (%) $= \dfrac{\text{Equity}}{\text{Total balance}}$

Accounting Policies

Reporting Class
The annual report of Bjorn Denmark Propco 3 ApS for 2023 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of 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 finansial income and expenses in the Income Statement. Where foreing 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 Finansial Income and expenses in the Income Statement.

General information

Basis of recognition and measurement
The financial statement have been prepared under the historical cost principle.

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 amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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.

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 financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Accounting Policies

Income statement

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 expenses 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 on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

The Company and the Danish associates are taxed jointly. The Danish income tax is distributed between profit- and loss-making Danish enterprises in relation to their taxable income (full distribution).

Balance sheet

Property, plant and equipment
Property, plant and equipment are measured at cost on initial recognition and subsequently at cost less accumulated depreciation and impairment losses.

The depreciable amount is calculated taking into consideration the residual value of the asset at the end of its useful life, reduced by impairment losses, if any. The depreciation period and the residual value are determined at the data of acquisition. If the residual value exceeds the carrying amount of the asset, depreciation is discontinued.

In case of changes in depreciation period or residual value, the effect of a change in depreciation period is recognised prospectively in accounting estimates.

Cost includes the purchase price and expenses directly related to the acquisition until the time when the asset is ready for use. The cost of self-constructed assets includes costs for materials, components, subcontractors, direct payroll costs and indirect production costs.

The cost of composite asset is disaggregated into components, which are separately depreciated if the useful lives of the individual component differ.

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 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 amortized 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 dividend 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 reportig purposes on the basis of the intended use of the asset and settlement of the liaility, 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 deffered tax due to changes to tax rates are recognised in the income statement or in the equity if the deffered tax relates to items recognised in equity.

Current tax liabilities
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
Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest method, so that the difference between the proceeds and the nominal value is

Accounting Policies

recognised in the income statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized 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.

Other liabilities are measured at net realisable value.

Other payables
Other payables are measured at amortized 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.

Cash flow statement
Cash flow statement have not been prepared because the group fulfills the exemption provisions of section 86, 4 of the Danish Financial Statements Act. The company is included in the cash flow statement in the consolidated financial statement of Blackstone Property Partners Europe Holdings S.á.r.l.

Income Statement

	Note	2023 kr.	2022 kr.
Gross profit		**22.127.288**	**29.562.414**
Employee benefits expense		0	0
Gains from current value adjustments of investment assets		-92.116.000	-52.500.000
Profit from ordinary operating activities		**-69.988.712**	**-22.937.586**
Finance expenses	2	-12.537.624	-8.777.376
Profit from ordinary activities before tax		**-82.526.336**	**-31.714.962**
Tax expense on ordinary activities	3	18.134.004	7.077.067
Profit		**-64.392.332**	**-24.637.895**

Proposed distribution of results		
Proposed dividend recognised in equity	0	7.000.000
Retained earnings	-64.392.332	-31.637.895
Distribution of profit	**-64.392.332**	**-24.637.895**

Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Assets			
Fixtures, fittings, tools and equipment	4	0	270.793
Investment property	5	791.900.000	884.000.000
Property, plant and equipment		**791.900.000**	**884.270.793**
Fixed assets		**791.900.000**	**884.270.793**
Short-term trade receivables		512.782	1.990.801
Short-term receivables from group enterprises		2.150.749	4.757.120
Short-term tax receivables from group enterprises		1.545.010	818.507
Other short-term receivables		1.711.315	3.573.168
Prepayments		265.994	247.344
Receivables		**6.185.850**	**11.386.940**
Cash and cash equivalents		**3.185.566**	**3.313.560**
Current assets		**9.371.416**	**14.700.500**
Assets		**801.271.416**	**898.971.293**

Balance Sheet as of 31 December

	Note	2023 kr.	2022 kr.
Liabilities and equity			
Contributed capital		80.000	80.000
Retained earnings		146.542.999	210.935.331
Proposed dividend recognised in equity		0	7.000.000
Equity		**146.622.999**	**218.015.331**
Provisions for deferred tax	6	79.344.134	96.061.358
Provisions		**79.344.134**	**96.061.358**
Payables to group enterprises		533.652.565	540.078.475
Deposits		15.837.497	14.030.416
Long-term liabilities other than provisions	7	**549.490.062**	**554.108.891**
Prepayments received from customers		50.309	465.080
Trade payables		2.969.743	1.571.503
Payables to group enterprises		21.368.544	26.197.162
Tax payables to group enterprises		0	143.102
Other payables		1.425.625	2.408.866
Short-term liabilities other than provisions		**25.814.221**	**30.785.713**
Liabilities other than provisions within the business		**575.304.283**	**584.894.604**
Liabilities and equity		**801.271.416**	**898.971.293**

	Note
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Statement of changes in Equity

	Contributed capital	Retained earnings	Proposed dividend recognised in equity	Total
Equity 1 January 2023	80.000	210.935.331	7.000.000	218.015.331
Dividend paid	0	0	-7.000.000	-7.000.000
Profit (loss)	0	-64.392.332	0	-64.392.332
Equity 31 December 2023	**80.000**	**146.542.999**	**0**	**146.622.999**

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

Notes

1. Employee benefits expense

	2023	2022
Average number of employees	0	0

2. Finance expenses

	2023	2022
Finance expenses arising from group enterprises	10.527.653	8.019.636
Other finance expenses	2.009.971	757.740
	12.537.624	**8.777.376**

3. Tax expense

	2023	2022
Tax of calculated income	-1.416.780	143.102
Adjustment deferred tax	-16.717.224	-7.165.462
Adjustment tax, previous periods	0	-818.507
Adjustment deferred tax, previous periods	0	763.800
	-18.134.004	**-7.077.067**

4. Fixtures, fittings, tools and equipment

	2023	2022
Cost at the beginning of the year	346.400	346.400
Cost at the end of the year	**346.400**	**346.400**
Depreciation and amortisation at the beginning of the year	-75.607	-75.607
Impairment losses for the year	-270.793	0
Impairment losses and amortisation at the end of the year	**-346.400**	**-75.607**
Carrying amount at the end of the year	**0**	**270.793**

5. Investment property

	2023	2022
Cost at the beginning of the year	553.015.638	553.015.638
Addition during the year, incl. improvements	16.000	0
Cost at the end of the year	**553.031.638**	**553.015.638**
Fair value adjustments at the beginning of the year	330.984.362	383.484.362
Adjustments for the year	-92.116.000	-52.500.000
Fair value adjustments at the end of the year	**238.868.362**	**330.984.362**
Carrying amount at the end of the year	**791.900.000**	**884.000.000**

The company's investment properties consist of one investment property of 66.895 m2 and land of 55.450 m2 located in Høje-Taastrup with a value of respectively 742.000.000 kr. and 49.900.000 kr.

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, received from external valuer.

Notes

Management has appointed an external valuer to determine the fair value of the investment property at 31 December 2023. The valuation report prepared by external valuer assumes an equivalent yield of 5,78% (5,20 % in 2022) and re-let of vacant retail unit within a 12 months period. A change of +/- 0,25 percentage points in the required rate of return means approx. -33.500/ +30.500 t.kr. in changed market value with a Net rent of kr. 32.158.743.

6. Provisions for deferred tax

	2023	**2022**
Deferred tax	79.344.134	96.061.358
	79.344.134	**96.061.358**

Specification of deferred tax		
Property, plant and equipment	79.973.277	96.551.668
Loan costs	-687.662	-544.726
Current assets	58.519	54.416
Tax losses	0	0
	79.344.134	**96.061.358**

7. Long-term liabilities

	Due after 1 year	**Due within 1 year**	**Due after 5 years**
Payables to group enterprises	533.652.565	21.368.544	534.850.996
Deposits	15.837.497	0	15.837.497
	549.490.062	**21.368.544**	**550.688.493**

8. 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.

9. Related parties

Related parties with controlling interest:
Bjorn Denmark Bidco 4 ApS

Transactions with related parties:
The company did not carry out any material transactions that were not concluded on market conditions. According to section 98c, subsection 7 of the Danish Financial Statements Act information is given only on transactions that were not performed on common market conditions.