IED Valby Maskinfabrik PropCo ApS

c/o Capital Investment A/S, Sankt Annæ Plads 13, 2. th., DK-1250 København K

Annual Report for 2022

CVR No. 37 51 14 63

The Annual Report was presented and adopted at the Annual General Meeting of the company on 30/6 2023

Edit Rózsahegyi
Chairman of the general meeting

Contents

Management's statement

The Executive Board has today considered and adopted the Financial Statements of IED Valby Maskinfabrik PropCo ApS for the financial year 1 January - 31 December 2022.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

In our opinion, Management's Review includes a true and fair account of the matters addressed in the Review.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Copenhagen, 27 June 2023

Executive Board

Roger Rolf Wilhelm Hennig Manager	Reine Lars Olof Blanke Manager	Edit Rózsahegyi Manager

Independent Auditor's report

To the shareholder of IED Valby Maskinfabrik PropCo ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company´s operations for the financial year 1 January - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of IED Valby Maskinfabrik PropCo ApS for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for 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.

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, in our view, 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 in Management's Review.

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.

Independent Auditor's report

Auditor’s responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company´s internal control.

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

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hellerup, 27 June 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198

Company information

The Company	IED Valby Maskinfabrik PropCo ApS c/o Capital Investment A/S Sankt Annæ Plads 13, 2. th. DK-1250 København K CVR No: 37 51 14 63 Financial period: 1 January - 31 December Incorporated: 1 February 2016 Financial year: 7th financial year Municipality of reg. office: Copenhagen
Executive Board	Roger Rolf Wilhelm Hennig Reine Lars Olof Blanke Edit Rózsahegyi
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup

Management's review

Key activities

The company's purpose is rental for business and related business as well as services in connection with operation, administration and rental of real estate.

Development in the year

The income statement of the Company for 2022 shows a profit of DKK 13,886,154, and at 31 December 2022 the balance sheet of the Company shows positive equity of DKK 280,863,243.

Uncertainty relating to recognition and measurement

See Note concerning recognition and measurement of capitalized development costs. In addition, there has been no uncertainty regarding recognition and measurement in the Annual Report.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
Gross profit before value adjustments		**24,249,165**	**18,802,218**
Value adjustments of assets held for investment		-3,602,468	32,632,865
Gross profit/loss after value adjustments		**20,646,697**	**51,435,083**
Financial income		63,245	0
Financial expenses	1	-2,848,641	-2,778,853
Profit/loss before tax		**17,861,301**	**48,656,230**
Tax on profit/loss for the year	2	-3,975,147	-10,635,106
Net profit/loss for the year		**13,886,154**	**38,021,124**

Distribution of profit

	2022	2021
	DKK	DKK
Proposed distribution of profit		
Retained earnings	13,886,154	38,021,124
	13,886,154	**38,021,124**

Balance sheet 31 December

Assets

	Note	2022	2021
		DKK	DKK
Investment properties		621,000,000	623,200,000
Property, plant and equipment	3	**621,000,000**	**623,200,000**
Fixed assets		**621,000,000**	**623,200,000**
Other receivables		1,600,636	1,118,827
Receivables		**1,600,636**	**1,118,827**
Cash at bank and in hand		**36,759,881**	**15,650,137**
Current assets		**38,360,517**	**16,768,964**
Assets		**659,360,517**	**639,968,964**

Balance sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		80,000	80,000
Retained earnings		280,783,243	266,897,089
Equity		**280,863,243**	**266,977,089**
Provision for deferred tax		82,308,090	82,905,326
Provisions		**82,308,090**	**82,905,326**
Mortgage loans		246,900,000	246,900,000
Payables to group enterprises		17,000,000	17,000,000
Long-term debt	4	**263,900,000**	**263,900,000**
Prepayments received from customers		0	82,236
Trade payables		3,336,770	1,057,300
Payables to group enterprises		7,421,201	6,305,968
Corporation tax		4,520,824	3,318,073
Deposits		8,746,383	8,441,210
Other payables		8,264,006	6,981,762
Short-term debt		**32,289,184**	**26,186,549**
Debt		**296,189,184**	**290,086,549**
Liabilities and equity		**659,360,517**	**639,968,964**

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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	80,000	266,897,089	266,977,089
Net profit/loss for the year	0	13,886,154	13,886,154
Equity at 31 December	**80,000**	**280,783,243**	**280,863,243**

Notes to the Financial Statements

	2022	2021
	DKK	DKK
1. Financial expenses		
Other financial expenses	2,848,641	2,778,853
	2,848,641	**2,778,853**

	2022	2021
	DKK	DKK
2. Income tax expense		
Current tax for the year	4,520,824	3,318,073
Deferred tax for the year	-591,356	7,386,297
Adjustment of tax concerning previous years	45,679	-69,264
	3,975,147	**10,635,106**

3. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	516,494,024
Additions for the year	2,310,872
Cost at 31 December	518,804,896
Value adjustments at 1 January	106,705,976
Revaluations for the year	-4,510,872
Value adjustments at 31 December	102,195,104
Carrying amount at 31 December	**621,000,000**

Assumptions underlying the determination of fair value of investment properties

The Company's properties are divided into the following percentages; 79 % offices, 8 % storages, 8 % Restaurants, and 5 % retail, with a total area of 24,594 sq.m. The weighted average unexpired leaseterm is 2.9 years.

The investment properties is located in the Copenhagen area.

The properties are valued with reference to the initial yield profile in an income capitalized approach, supported by a DCF approach. This method takes into account varying unit rental rates and costs overtime, as units are vacated and re-let at market levels. The valuation is made by the Management based on a valuation made by an external valuer.

The fair value of properties has been calculated based on the assumptions that the expected increase in market rent and the change in operating expenses will be 2 % and the rate of return will be 3.96 % - 4.96 %.

Sensitivity in determination of fair value of investment properties

An in the range of 0,5% - 0,5% has been applied in the market value assessment at 31 December. The Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in	-0.5%	Base	0.5%
	DKK	DKK	DKK
Rate of return	3.96	4.46	4.96
Fair value	558,381,158	621,000,000	699,437,387
Change in fair value	-62,618,842	0	78,437,387

4. 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:

	2022	2021
	DKK	DKK
Mortgage loans		
After 5 years	0	0
Between 1 and 5 years	246,900,000	246,900,000
Long-term part	246,900,000	246,900,000
Within 1 year	0	0
	246,900,000	**246,900,000**
Payables to group enterprises		
After 5 years	0	0
Between 1 and 5 years	17,000,000	17,000,000
Long-term part	17,000,000	17,000,000
Within 1 year	0	0
Other short-term debt to group enterprises	7,421,201	6,305,968
Short-term part	7,421,201	6,305,968
	24,421,201	**23,305,968**

Notes to the Financial Statements

5. Contingent assets, liabilities and other financial obligations

Contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of IED Valby HoldCo ApS, which is the management company of the joint taxation purposes. Moreover, the 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.

Mortgage debt is secured by way of mortgage on properties. The mortgage also comprises the plant and machinery deemed part of the property.

The carrying amount of mortgaged properties is DKK 621.000.000

Notes to the Financial Statements

6. Accounting policies

The Annual Report of IED Valby Maskinfabrik PropCo ApS for 2022 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 2022 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.

Income statement

Net sales

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

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

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue and expenses for raw materials and consumables.

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.

Notes to the Financial Statements

The Company is jointly taxed with . The tax effect of the joint taxation is allocated to Danish 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 assets comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and supsuppliers 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 estimates applied are based on historical 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 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.

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, including the tax base of tax loss carry-forwards, 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.

Notes to the Financial Statements

Financial debts

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

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

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