

# Ejendomsselskabet Fiolstræde ApS

c/o Cobblestone A/S, Gammel Køge Landevej 57, 3, DK-2500 Valby

Company reg. no. 38 14 81 09

## Annual report

**1 January - 31 December 2021**

The annual report was submitted and approved by the general meeting on the 23 June 2022.

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**Helle Bjerre**

Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

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## **Management's statement**

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Today, the Board of Directors and the Managing Director have approved the Annual Report of Ejendomsselskabet Fiolstræde ApS for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2021 and of the results of the Company's operations for the financial year 1 January – 31 December 2021.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

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

00 Valby, 23 June 2022

### **Executive board**

Helle Bjerre

### **Board of Directors**

Gauthier Robert A Lambeaux

Rasmus Juul-Nyholm

## **Independent auditor's report**

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### **To the shareholders of Ejendomsselskabet Fiolstræde ApS**

#### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of the Company 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.

We have audited the financial statements of Ejendomsselskabet Fiolstræde ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies.

#### **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.

## Independent auditor's report

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### **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 judgment and maintain 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 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.

## Independent auditor's report

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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, 23 June 2022

### **PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
Company reg. no. 33 77 12 31

**Bo Schou-Jacobsen**

State Authorised Public Accountant  
mne28703

**Qasam Hussain**

State Authorised Public Accountant  
mne44159

## Company information

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### The company

Ejendomsselskabet Fiolstræde ApS  
c/o Cobblestone A/S, Gammel Køge Landevej 57, 3  
DK-2500 Valby

Company reg. no. 38 14 81 09  
Financial year: 1 January - 31 December

### Board of Directors

Gauthier Robert A Lambeaux  
Rasmus Juul-Nyholm

### Executive Board

Helle Bjerre

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## **Management's review**

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### **The principal activities of the company**

The Company objects are to, directly or through possession of shares in other companies, own or operate real estate as well as other businesses, which in the opinion of the Board of Directors is connected hereto.

### **Development in activities and financial matters**

The gross profit for the year totals DKK 5.218.333 against DKK 7.624.783 last year. Income or loss from ordinary activities after tax totals DKK 6.628.546 against DKK -34.607.460 last year. Management considers the net profit or loss for the year satisfactory.

### **Events occurring after the end of the financial year**

There is no significant event to report as of the date of the approval of these annual accounts.



## Income statement 1 January - 31 December

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Gross profit</b>	<b>5.218.333</b>	<b>7.624.783</b>
1 Value adjustment of investment property	17.160.000	-49.160.000
3 Depreciation and impairment of equipment	-767.065	-767.066
<b>Operating profit</b>	<b>21.611.268</b>	<b>-42.302.283</b>
4 Financial income	8.099	157.384
5 Financial expense	-11.372.951	-2.222.032
<b>Net profit before tax</b>	<b>10.246.416</b>	<b>-44.366.931</b>
6 Tax on net profit or loss for the year	-3.617.870	9.759.471
<b>Net profit or loss for the year</b>	<b>6.628.546</b>	<b>-34.607.460</b>
<b>Distribution of profit</b>		
Extraordinary dividend adopted during the financial year	0	111.000.000
Transferred to retained earnings	6.628.546	0
Allocated from retained earnings	0	-145.607.460
	<b>6.628.546</b>	<b>-34.607.460</b>

## Balance sheet at 31 December

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All amounts in DKK.

<u>Note</u>	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
7 Other fixtures and fittings, tools and equipment	11.505.982	12.273.047
8 Investment property	192.000.000	174.840.000
Total property, plant, and equipment	<u>203.505.982</u>	<u>187.113.047</u>
<b>Fixed assets</b>	<b><u>203.505.982</u></b>	<b><u>187.113.047</u></b>
<b>Current assets</b>		
Trade receivables	0	1.033.010
Receivables from group enterprises	2.616.578	18.705.127
Tax receivables from enterprises	0	436.878
Total receivables	<u>2.616.578</u>	<u>20.175.015</u>
Cash and cash equivalents	<u>6.348.249</u>	<u>3.759.342</u>
<b>Current assets</b>	<b><u>8.964.827</u></b>	<b><u>23.934.357</u></b>
<b>Assets</b>	<b><u>212.470.809</u></b>	<b><u>211.047.404</u></b>

## Balance sheet at 31 December

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All amounts in DKK.

<b>Equity and liabilities</b>			
<u>Note</u>		<u>2021</u>	<u>2020</u>
<b>Equity</b>			
	Contributed capital	1.100.000	1.100.000
	Retained earnings	94.228.700	87.600.154
	<b>Equity</b>	<b>95.328.700</b>	<b>88.700.154</b>
<b>Provisions</b>			
9	Provisions for deferred tax	13.752.429	10.134.559
	<b>Total provisions</b>	<b>13.752.429</b>	<b>10.134.559</b>
<b>Liabilities other than provisions</b>			
	Bank loans	0	111.000.000
10	Payables to group enterprises	102.041.311	0
	Total long term liabilities other than provisions	102.041.311	111.000.000
	Trade payables	286.837	325.929
	Other payables	1.040.125	886.762
	Deferred income	21.407	0
	Total short term liabilities other than provisions	1.348.369	1.212.691
	<b>Total liabilities other than provisions</b>	<b>103.389.680</b>	<b>112.212.691</b>
	<b>Total equity and liabilities</b>	<b>212.470.809</b>	<b>211.047.404</b>
<b>11 Charges and security</b>			
<b>12 Contingencies</b>			
<b>13 Related parties</b>			

## Statement of changes in equity

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All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2021	1.100.000	87.600.154	88.700.154
Retained earnings for the year	<u>0</u>	<u>6.628.546</u>	<u>6.628.546</u>
	<b><u>1.100.000</u></b>	<b><u>94.228.700</u></b>	<b><u>95.328.700</u></b>

## Notes

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All amounts in DKK.

	<u>2021</u>	<u>2020</u>
<b>1. Value adjustment of investment property</b>		
Value adjustment arising from change in required rate of return	<u>17.160.000</u>	<u>-49.160.000</u>
	<b><u>17.160.000</u></b>	<b><u>-49.160.000</u></b>
<b>2. Staff costs</b>		
Average number of employees	<u>1</u>	<u>1</u>
<b>3. Depreciation and impairment of equipment</b>		
Depreciation of other fixtures and fittings, tools and equipment	<u>767.065</u>	<u>767.066</u>
	<b><u>767.065</u></b>	<b><u>767.066</u></b>
<b>4. Financial income</b>		
Interest, group enterprises	8.099	146.400
Market value adjustments of financial instruments classed as current assets	<u>0</u>	<u>10.984</u>
	<b><u>8.099</u></b>	<b><u>157.384</u></b>
<b>5. Financial expense</b>		
Interest, group enterprises	1.206.344	0
Other financial costs	<u>10.166.607</u>	<u>2.222.032</u>
	<b><u>11.372.951</u></b>	<b><u>2.222.032</u></b>
<b>6. Tax on net profit or loss for the year</b>		
Tax on net profit or loss for the year	0	-436.878
Adjustment of deferred tax for the year	<u>3.617.870</u>	<u>-9.322.593</u>
	<b><u>3.617.870</u></b>	<b><u>-9.759.471</u></b>

## Notes

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All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>7. Other fixtures and fittings, tools and equipment</b>		
Cost 1 January 2021	<u>15.341.310</u>	<u>15.341.310</u>
<b>Cost 31 December 2021</b>	<b><u>15.341.310</u></b>	<b><u>15.341.310</u></b>
Depreciation and writedown 1 January 2021	-3.068.263	-2.301.197
Amortisation and depreciation for the year	<u>-767.065</u>	<u>-767.066</u>
<b>Depreciation and writedown 31 December 2021</b>	<b><u>-3.835.328</u></b>	<b><u>-3.068.263</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>11.505.982</u></b>	<b><u>12.273.047</u></b>
<b>8. Investment property</b>		
Cost 1 January 2021	<u>159.927.242</u>	<u>159.927.242</u>
<b>Cost 31 December 2021</b>	<b><u>159.927.242</u></b>	<b><u>159.927.242</u></b>
Fair value adjustment 1 January 2021	14.912.758	64.072.758
Adjustments to fair value for the year	<u>17.160.000</u>	<u>-49.160.000</u>
<b>Fair value adjustment 31 December 2021</b>	<b><u>32.072.758</u></b>	<b><u>14.912.758</u></b>
<b>Carrying amount, 31 December 2021</b>	<b><u>192.000.000</u></b>	<b><u>174.840.000</u></b>
Budget period		10 years
Exit Yield		4,5%
Initial Yield		n.a.
Growth in terminal period		2,0%

The fair value of investment properties at 31 December 2021 has been assessed by an independent assessor.

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.

## Notes

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All amounts in DKK.

	<u>31/12 2021</u>	<u>31/12 2020</u>
<b>9. Provisions for deferred tax</b>		
Provisions for deferred tax 1 January 2021	10.134.559	19.457.152
Deferred tax relating to the net profit or loss for the year	<u>3.617.870</u>	<u>-9.322.593</u>
	<b><u>13.752.429</u></b>	<b><u>10.134.559</u></b>
<b>10. Payables to group enterprises</b>		
Total payables to group enterprises	102.041.311	0
Share of amount due within 1 year	<u>0</u>	<u>0</u>
<b>Total payables to group enterprises</b>	<b><u>102.041.311</u></b>	<b><u>0</u></b>
Share of liabilities due after 5 years	<u>0</u>	<u>0</u>

## Notes

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All amounts in DKK.

### 11. Charges and security

At 31 December 2021, mortgage deeds of a nominal value of DKK 143 million in the Company's investment property with a carrying value of DKK 192 million have been pledged as security for Parent Company': SOF-12 Skt. Petri Bidco ApS bank debt, which at year-end amounts to DKK 500 million.

### 12. Contingencies

#### Joint taxation

With SOF-12 Skt. Petri Bidco ApS, company reg. no 41949775 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

The total tax payable under the joint taxation scheme totals DKK 0.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.

### 13. Related parties

#### Controlling interest

SOF-12 Skt. Petri Bidco ApS. owns 100% of the shares in Ejendomsselskabet Fiolstræde ApS.

The Company is included in the Consolidated Financial Statements for the ultimate Parent Company:

Starwood Capital Group, L.L.C.

591 W Putnam Ave

Greenwich, Connecticut 06830

United States

#### Transactions

The company's intercompany transactions has during the year been entered into at arm's length.



## Accounting policies

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The Annual Report for Ejendomsselskabet Fiolstræde ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the Annual Report is presented in DKK.

### Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the Annual Report and concern matters that exist on the reporting date.

## Income statement

### Gross profit

Net revenue is recognized excluding VAT and with deductions for discounts and rent reductions for tenants.

Net revenue is recognized excl. VAT and less the taxes and rebates attributable for sale.

Gross profit is calculated with reference to section 32 of the Danish Financial Statements Act as a summary of net sales.

## Accounting policies

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Other external expenses comprise expenses incurred for distribution, sales, advertising, administration, premises, loss on receivables, and operational leasing costs.

### **Value adjustment of investment property**

Value adjustment of investment property comprises value adjustments of properties at fair value and profit or loss from the disposal of properties.

### **Depreciation, amortisation, and writedown for impairment**

Depreciation, amortisation, and writedown for impairment comprise depreciation on, amortisation of, and writedown for impairment of tangible assets, respectively.

### **Financial income and expenses**

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

### **Tax on net profit or loss for the year**

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

## Statement of financial position

### **Other fixtures and fittings, tools and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accrued depreciation and writedown for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset. The amortisation period and the residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, the depreciation is discontinued.

If the amortisation period or the residual value is changed, the effect on amortisation will, in future, be recognised as a change in the accounting estimates.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

## Accounting policies

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The cost of a total asset is divided into separate components. These components are depreciated separately, the useful lives of each individual components differing, and the individual component representing a material part of the total cost.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	3-20 years

Minor assets with an expected useful life of less than 1 year are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

### Impairment loss relating to non-current assets

The carrying amounts of tangible fixed assets as well as equity investments in subsidiaries are reviewed on an annual basis to determine whether there is any indication of impairment.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Writedown for impairment is done to the recoverable amount if this value is lower than the carrying amount.

### Investment property

At the initial recognition, investment property is measured at cost, comprising the cost of the property and directly associated costs, if any.

Hereafter, investment properties are measured individually at an estimated fair value. The properties are measured using a returnbased model, by which the expected future cash flows for the following year, along with a rate of return determined by management, form the basis for the fair value of the properties. Compared to the previous financial year, the method of measurement remains unchanged.

Costs adding new or improved qualities to an investment property compared to its condition at the time of acquisition, thereby improving the future return on the property, are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognised in the income statement under the item "Gross profit".

Like other property, plant, and equipment except for land, investment property has a limited economic life. The impairment taking place concurrently with the ageing of the investment property is reflected in the continuing measurement of the investment property at fair value.

## **Accounting policies**

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Value adjustments are recognised in the income statement under the item "Value adjustments of property".

### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to nominal value.

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand.

### **Income tax and deferred tax**

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

According to the rules of joint taxation, Ejendomsselskabet Fiolstræde ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

### **Liabilities other than provisions**

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

### **Deferred income**

Payments received concerning future income are recognised under deferred income.