

# Square Copenhagen ApS

c/o DEInternational Denmark ApS  
Kongens Nytorv 26, 3.  
1050 København K  
Denmark

CVR no. 38 17 57 77

## **Annual report for the period 1 July 2020 – 31 December 2021**

The annual report was presented and approved at  
the Company's annual general meeting on

29 July 2022

Chrisitan Schwarz-Hansen  
Chairman of the annual general meeting

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**Square Copenhagen ApS**  
Annual report 2020/21  
CVR no. 38 17 57 77

## **Statement by the Executive Board**

The Executive Board has today discussed and approved the annual report of Square Copenhagen ApS for the financial period 1 July 2020 – 31 December 2021.

The annual report has been 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 period 1 July 2020 – 31 December 2021.

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

We recommend that the annual report be approved at the annual general meeting.

København, 29 July 2022  
Executive Board:

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Volker Becker

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Jürgen Dieter Büllesbach

## Independent auditor's report

### To the shareholder of Square Copenhagen ApS

#### Opinion

We have audited the financial statements of Square Copenhagen ApS for the financial period 1 July 2020 – 31 December 2021 comprising income statement, balance sheet, statement of changes in equity 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 period 1 July 2020 – 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 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 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 users made 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 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.

## Independent auditor's report

- 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 the 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

København, 29 July 2022

**KPMG**

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Henrik Y. Jensen  
State Authorised  
Public Accountant  
mne35442

**Square Copenhagen ApS**  
Annual report 2020/21  
CVR no. 38 17 57 77

## **Management's review**

### **Company details**

Square Copenhagen ApS  
C/O DEInternational Denmark ApS  
Kongens Nytorv 26, 3.  
1050 København K

CVR no.:	38 17 57 77
Established:	1 November 2016
Registered office:	Copenhagen
Financial period:	1 July 2020 – 31 December 2021

### **Executive Board**

Volker Becker  
Jürgen Dieter Büllsbach

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Dampfærgevej 28  
DK-2100 København Ø  
CVR no. 25 57 81 98

## **Management's review**

### **Operating review**

#### **Principal activities**

The principal activities are investment, ownership, administration and development of properties and any business related hereto.

#### **Development in activities and financial position**

The Company's income statement for the period 1 July 2020 - 31 December 2021 shows a profit of DKK 70,883 thousand as against DKK 5,926 thousand in 2019/20. Equity in the Company's balance sheet at 31 December 2021 stood at DKK 364,461 as against DKK 293,578 thousand at 31 December 2020.

The Company has changed the financial reporting period from 1 July - 30 June to 1 January - 31 December. The transition period covers 1 July 2020 - 31 December 2021.

#### **Capital resources**

The company's current liabilities exceeds the company's current assets as per 31 December 2021. OPES Immobilien GmbH, have provided a guarantee that provides Square Copenhagen ApS with sufficient liquidity, so that Square Copenhagen ApS, at any time, has the sufficient liquidity to meet its current and future liabilities as they fall due.

#### **Events after the balance sheet date**

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

## Financial statements 1 July – 31 December

### Income statement

DKK'000	Note	1/7 2020- 31/12 2021	1/7 2019- 30/06 2020
<b>Gross profit/loss</b>		-5,503	10,766
<b>Profit/loss before financial income and expenses</b>		-5,503	10,766
Fair value adjustment of investment property		116,536	130
Other financial expenses	4	-19,999	-3,298
<b>Profit before tax</b>		91,034	7,598
Tax on profit for the year	5	-20,151	-1,672
<b>Profit for the period</b>		<u>70,883</u>	<u>5,926</u>
<b>Proposed profit appropriation</b>			
Retained earnings		<u>70,883</u>	<u>5,926</u>
		<u>70,883</u>	<u>5,926</u>



## Financial statements 1 July – 31 December

### Balance sheet

DKK'000	Note	31/12 2021	30/6 2020
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	6		
Investment properties		<u>741,030</u>	<u>618,933</u>
<b>Total fixed assets</b>		<u>741,030</u>	<u>618,933</u>
<b>Current assets</b>			
<b>Receivables</b>			
Receivables from group entities		0	1,090
Other receivables		7,688	4,167
Prepayments		<u>0</u>	<u>220</u>
		<u>7,688</u>	<u>5,477</u>
<b>Cash at bank and in hand</b>		<u>31,019</u>	<u>14,850</u>
<b>Total current assets</b>		<u>38,707</u>	<u>20,327</u>
<b>TOTAL ASSETS</b>		<u><u>779,737</u></u>	<u><u>639,260</u></u>

## Financial statements 1 July – 31 December

### Balance sheet

DKK'000	Note	31/12 2021	30/6 2020
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		50	50
Share premium		27,000	27,000
Retained earnings		<u>337,411</u>	<u>266,528</u>
<b>Total equity</b>		<u>364,461</u>	<u>293,578</u>
<b>Provisions</b>			
Provisions for deferred tax		25,518	5,367
Other provisions		<u>14,000</u>	<u>0</u>
<b>Total provisions</b>		<u>39,518</u>	<u>5,367</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Debt to credit institutions	7	0	325,757
Deposits		<u>1,278</u>	<u>5,196</u>
		<u>1,278</u>	<u>330,953</u>
<b>Current liabilities other than provisions</b>			
Current portion of non-current liabilities		0	5,518
Trade payables		9	48
Payables to group entities		372,747	0
Corporation tax		0	2,031
Other payables		<u>1,724</u>	<u>1,765</u>
		<u>374,480</u>	<u>9,362</u>
<b>Total liabilities other than provisions</b>		<u>375,758</u>	<u>340,315</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>779,737</u></u>	<u><u>639,260</u></u>
<b>Capital resources</b>	2		
<b>Average number of full-time employees</b>	3		
<b>Contractual obligations, contingencies, etc.</b>	8		
<b>Related party disclosures</b>	9		

## Financial statements 1 July – 31 December

### Statement of changes in equity

DKK'000	<u>Contributed capital</u>	<u>Share premium</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 July 2020	50	27,000	266,528	293,578
Transferred over the profit appropriation	<u>0</u>	<u>0</u>	<u>70,883</u>	<u>70,883</u>
<b>Equity at 31 December 2021</b>	<u><u>50</u></u>	<u><u>27,000</u></u>	<u><u>337,411</u></u>	<u><u>364,461</u></u>

## Financial statements 1 July – 31 December

### Notes

#### 1 Accounting policies

The annual report of Square Copenhagen ApS for 2020/21 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The Company has changed the financial reporting period from 1 July - 30 June to 1 January - 31 December. The transition period covers 1 July 2020 - 31 December 2021.

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Revenue

Rental revenue is recognised in the income statement in the period to which the rental income relates.

When the company provides tenant rebates to the tenant, the tenant rebates are recognized over the lease period on a linear basis, as a reduction to the rental income.

#### Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of property, plant and equipment.

#### Other external costs

Other external costs comprise distribution costs and costs related to sales, sales campaigns, administration, office premises, operating leases, etc.

## Financial statements 1 July – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

The Company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

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

### Balance sheet

#### Property, plant and equipment

Land and buildings are measured at fair value.

The fair value is determined by an accepted valuation method, based on a return-based model. The company has used a valuation expert to estimate the fair value

When using a return-based model, the value is calculated on the basis of the investment property's return from operations and on an individually fixed requirement for interest.

Subsequent costs are recorded under acquisition costs of investment properties, if it is probable that the company will gain an economic benefit from them. The cost for repairs and current maintenance are recognized in the income statement as incurred

#### Impairment of fixed assets

The carrying amount of property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

## Financial statements 1 July – 31 December

### Notes

#### 1 Accounting policies (continued)

##### Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

##### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

##### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

##### Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

##### Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

## Financial statements 1 July – 31 December

### Notes

#### 2 Capital resources

The company's current liabilities exceeds the company's current assets as per 31 December 2021. OPES Immobilien GmbH, have provided a guarantee that provides Square Copenhagen ApS with sufficient liquidity, so that Square Copenhagen ApS, at any time, has the sufficient liquidity to meet its current and future liabilities as they fall due.

DKK'000	1/7 2020- 31/12 2021	1/7 2019- 30/06 2020
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#### 3 Average number of full-time employees

Average number of full-time employees	0	0
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#### 4 Financial expenses

Interest expense to group entities	5,615	0
Other financial costs	8,312	3,298
Exchange losses	6,072	0
	<u>19,999</u>	<u>3,298</u>

#### 5 Tax on profit for the year

Current tax for the year	0	120
Deferred tax for the year	20,151	1,552
	<u>20,151</u>	<u>1,672</u>

#### 6 Property, plant and equipment

DKK'000	Investment properties
Cost at 1 July 2020	615,862
Additions for the year	<u>5,561</u>
Cost at 31 December 2021	621,423
Revaluations at 1 July 2020	3,071
Revaluations for the year	<u>116,536</u>
Revaluations at 31 December 2021	119,607
Depreciation and impairment losses at 31 December 2021	<u>0</u>
<b>Carrying amount at 31 December 2021</b>	<u><u>741,030</u></u>

## Financial statements 1 July – 31 December

### Notes

#### 6 Property, plant and equipment (continued)

The investment property was acquired in a share deal in 2021 and is a significant redevelopment project at 31 December 2021.

Lease agreements with significant tenants have been terminated and the construction work is expected to commence February 2023 and finalize January 2025.

The property is located in central Copenhagen and future use is mainly office, restaurant and residential.

The fair value of DKK 741 million is estimated by the Company's management. In the valuation, the residual method has been applied.

##### Key assumptions:

An individually determined exit yield of 3.00 % has been applied in the market value assessment at 31 December 2021. The other key assumptions include rental income, void period and construction costs. The estimate of fair value at 31 December 2021 is in the region of the Agreed Purchase Price as per the Share Purchase Agreement.

##### Sensitivity analysis:

An increase of the equivalent yield by 0.25 percentage points would reduce the value of investment property by DKK 109 million and a decrease of the equivalent yield by 0.25 percentage points would increase the property value by DKK 129 million at the balance sheet date..

#### 7 Non-current liabilities other than provisions

DKK'000	31/12 2021	30/6 2020	Outstanding debt after five years
Debt to credit institutions	0	325,757	0
Deposits	1,278	5,196	0
	<u>1,278</u>	<u>330,953</u>	<u>0</u>

#### 8 Contractual obligations, contingencies, etc.

##### Joint taxation

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax.

#### 9 Related party disclosures

Square Copenhagen ApS' related parties comprise the following:

##### Control

Square Copenhagen ApS is part of the consolidated financial statements of OPES Immobilien GmbH, Schlehdornstrasse 3, 82031 Grünwald, Germany, which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of OPES Immobilien GmbH can be obtained by contacting the Company at the address above.