

CC Strandholmen K/S


c/o Taurus Ejendomsadministration ApS
Skovvejen 11, st., 8000 Aarhus C

CVR no. 38 23 69 97

Annual report 2021

Approved at the Company's meeting of the Board of Directors on 6 May 2022

Chair of the meeting:



.....
Tatyana Boger

Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	5
Financial statements 1 January - 31 December	7
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of CC Strandholmen K/S for the financial year 1 January - 31 December 2021.

The annual report is prepared in accordance with the Danish Financial Statements Act.


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

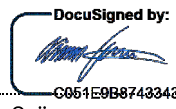
Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Aarhus, 6 May 2022
Executive Board:


Tatyana Boger


~~Jane Pascual~~
Mary Jane Pascual


C051E9B87433433...
Timm Grün

Independent auditor's report

To the limited partners of CC Strandholmen K/S

Opinion

We have audited the financial statements of CC Strandholmen K/S for the financial year 1 January - 31 December 2021, which comprise 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 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.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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.

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 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 the 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.

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 note 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 Statement Act. We did not identify any material misstatement of the Management's review.

Aarhus, 6 May 2022
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Kaare K. Lendorf
State Authorised Public Accountant
mne33819

Management's review

Company details

Name	CC Strandholmen K/S
Address, Postal code, City	c/o Taurus Ejendomsadministration ApS Skovvejen 11, st., 8000 Aarhus C
CVR no.	38 23 69 97
Financial year	1 January - 31 December
Executive Board	Tatyana Boger Jane Pascual Timm Grün
General Partner	Strandholmen HoldCo S. a. r. l. Luxembourg
Auditors	EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark

Management's review

Business review

The purpose of the company is to acquire and operate real estate. The company may provide guarantees, raise loans, grant loans or otherwise directly or indirectly assist with the financing of the group. The Company may, at its own expense or on behalf of a third party, carry on any business useful or necessary to fulfill its purposes or purposes which are directly or indirectly related to its own or a third party's purpose

Recognition and measurement uncertainties

As the company's purpose is investment in properties, the Company is affected by changes in the property market, including the general level of interest rates and economic conditions. For a description of significant assumptions for the fair value recognition as 31 December 2021 and a sensitivity analysis of the uncertainties in the calculation of fair value, please refer to note 3 and 4.

Financial review

The income statement for 2021 shows a profit of DKK 32,932,926 against a profit of DKK 5,771,236 last year, and the balance sheet at 31 December 2021 shows equity of DKK 197,193,882.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

Note	DKK	2021	2020
	Gross profit	14,626,131	11,149,905
	Fair value adjustment of investment property	24,000,000	250,000
	Profit before net financials	38,626,131	11,399,905
2	Financial expenses	-5,693,205	-5,628,669
	Profit for the year	32,932,926	5,771,236
	Recommended appropriation of profit		
	Retained earnings	32,932,926	5,771,236
		32,932,926	5,771,236

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2021	2020
	ASSETS		
	Fixed assets		
3	Property, plant and equipment		
4	Investment property	444,000,000	420,000,000
		<u>444,000,000</u>	<u>420,000,000</u>
	Total fixed assets	<u>444,000,000</u>	<u>420,000,000</u>
	Non-fixed assets		
	Receivables		
	Other receivables	25,865	0
	Prepayments	63,065	28,588
		<u>88,930</u>	<u>28,588</u>
	Cash	<u>17,768,310</u>	<u>7,963,151</u>
	Total non-fixed assets	<u>17,857,240</u>	<u>7,991,739</u>
	TOTAL ASSETS	<u>461,857,240</u>	<u>427,991,739</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	1,000,001	1,000,001
	Retained earnings	196,193,881	163,260,955
	Total equity	<u>197,193,882</u>	<u>164,260,956</u>
	Liabilities other than provisions		
5	Non-current liabilities other than provisions		
	Mortgage debt	183,000,000	183,000,000
	Payables to group entities	73,690,859	73,690,859
	Deposits	6,290,069	6,359,894
		<u>262,980,928</u>	<u>263,050,753</u>
	Current liabilities other than provisions		
5	Short-term part of long-term liabilities other than provisions	1,013,250	0
	Trade payables	611,373	477,175
	Payables to group enterprises	57,807	202,855
		<u>1,682,430</u>	<u>680,030</u>
	Total liabilities other than provisions	<u>264,663,358</u>	<u>263,730,783</u>
	TOTAL EQUITY AND LIABILITIES	<u>461,857,240</u>	<u>427,991,739</u>

1 Accounting policies

6 Collateral

7 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2020	1,000,001	157,489,719	158,489,720
Transfer through appropriation of profit	0	5,771,236	5,771,236
Equity at 1 January 2021	1,000,001	163,260,955	164,260,956
Transfer through appropriation of profit	0	32,932,926	32,932,926
Equity at 31 December 2021	1,000,001	196,193,881	197,193,882

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of CC Strandholmen K/S for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Basis of 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.

Reporting currency

The financial statements are presented in Danish kroner (DKK).

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rate 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 most recent financial statements is recognised in the income statement as financial income or financial expenses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income statement

Revenue

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

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

Gross profit

The items revenue, expenses, property and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Expenses, property

Property expenses include expenses relating to renting out the Company's investment property, including expenses relating to running and maintaining such property.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial expenses

Financial expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Balance sheet

Investment property

On initial recognition, investment property is measured at cost. Investment property is subsequently measured at fair value, and the value adjustment for the year is recognised in the income statement under the item "Fair value adjustment of investment property". The fair value is based on the expected future cash flows for the investment property.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

The Company has chosen IAS 39 as interpretation for impairment of financial receivables.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Income taxes

The Limited Partnership is not subject to taxation.

Liabilities

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

DKK	2021	2020
2 Financial expenses		
Interest expenses, group entities	4,052,998	4,052,999
Other financial expenses	1,640,207	1,575,670
	<u>5,693,205</u>	<u>5,628,669</u>
3 Property, plant and equipment		
DKK		Investment property
Cost at 1 January 2021		<u>378,749,123</u>
Cost at 31 December 2021		<u>378,749,123</u>
Revaluations at 1 January 2021		41,250,877
Value adjustments for the year		<u>24,000,000</u>
Revaluations at 31 December 2021		<u>65,250,877</u>
Carrying amount at 31 December 2021		<u>444,000,000</u>

4 Investment property

Fair value estimation

Assumptions underlying the determination of fair value of investment properties

The fair value is an estimate made by management based on information available and actual expectations as to the future.

The valuation is performed based on a report from an appraiser.

A weighted rate of return of 3,4% has been applied in the market value assessment at 31 December 2021.

The company's investment property is 100% residential.

The investment property is located in the area of Copenhagen.

The property is valued at fair value based on DCF model, which is based on forecasts for future cash flows that the individual property is expected to generate, expected CAPEX investments and development in vacancy.

- ▶ The fair value of investment properties amounts to DKK 444,000,000
- ▶ Budget period: 10 years
- ▶ Commercial rent per sqm: DKK 1,842
- ▶ Parking rent per lot: DKK 929 monthly
- ▶ Operating expenses per sqm: DKK 357
- ▶ Maintenance per sqm: DKK 40

Financial statements 1 January - 31 December

Notes to the financial statements

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognized in the balance sheet as well as value adjustments carried in the income statement. An increase in the rate of return by 0.5 percentage points will imply a decrease in the fair value of DKK 56,923,077. A decrease in the rate of return by 0.5 percentage points will imply an increase in the fair value of DKK 76,551,724.

5 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2021	Repayment, next year	Long-term portion	Outstanding debt after 5 years
Mortgage debt	183,000,000	0	183,000,000	183,000,000
Payables to group entities	74,704,109	1,013,250	73,690,859	73,690,859
Deposits	6,290,069	0	6,290,069	6,290,069
	<u>263,994,178</u>	<u>1,013,250</u>	<u>262,980,928</u>	<u>262,980,928</u>

6 Collateral

As security of mortgage of DKK 183,000,000 mortgage security of DKK 183,041,000 has been granted on investment properties representing a book value of DKK 444,000,000 at 31 December 2021.

7 Related parties

CC Strandholmen K/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Strandholmen GP S.a.r.l.	Luxembourg	General Partner