Nygade 1-3 PropCo ApS

c/o Lyngby Hovedgade 4, DK-2800 Kgs. Lyngby

Annual Report for 1 January - 31 December 2022

CVR No 38 30 82 03

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 07/06 2023

Peter Back
Chairman of the General Meeting

Contents

Management's Statement

The Executive Board has today considered and adopted the Annual Report of Nygade 1-3 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 my 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.

I recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 7 June 2023

Executive Board

Peter Back
Executive Officer

Independent Auditor's Report

To the Shareholder of Nygade 1-3 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 Nygade 1-3 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.

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 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, 7 June 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Jacob F Christiansen statsautoriseret revisor mne18628	Sune Christensen Bjerre statsautoriseret revisor mne47832

Company Information

The Company	Nygade 1-3 PropCo ApS c/o Lyngby Hovedgade 4 DK-2800 Kgs. Lyngby CVR No: 38 30 82 03 Financial period: 1 January - 31 December Municipality of reg. office: Lyngby-Taarbæk
Executive Board	Peter Back
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Income Statement 1 January - 31 December

	Note	2022	2021
		DKK	DKK
Gross profit/loss before value adjustments		**11.196.718**	**9.581.227**
Value adjustments of investment assets and the financial liabilities involved	2	-16.100.000	-9.478.841
Gross profit/loss after value adjustments		**-4.903.282**	**102.386**
Financial income	3	37.306	0
Financial expenses	4	-4.489.483	-4.119.701
Profit/loss before tax		**-9.355.459**	**-4.017.315**
Tax on profit/loss for the year	5	2.058.217	794.621
Net profit/loss for the year		**-7.297.242**	**-3.222.694**

Distribution of profit

	2022	2021
Proposed distribution of profit		
Proposed dividend for the year	5.836.271	0
Retained earnings	-13.133.513	-3.222.694
	-7.297.242	**-3.222.694**

Balance Sheet 31 December

Assets

	Note	2022	2021
		DKK	DKK
Investment properties		544.800.000	560.900.000
Property, plant and equipment	6	**544.800.000**	**560.900.000**
Fixed assets		**544.800.000**	**560.900.000**
Trade receivables		305.646	1.015.021
Receivables from group enterprises		3.336.271	0
Other receivables		153.523	373.161
Deferred tax asset		2.199.449	0
Receivables		**5.994.889**	**1.388.182**
Cash at bank and in hand		**8.468.040**	**5.167.242**
Currents assets		**14.462.929**	**6.555.424**
Assets		**559.262.929**	**567.455.424**

Balance Sheet 31 December

Liabilities and equity

	Note	2022	2021
		DKK	DKK
Share capital		51.000	51.000
Retained earnings		178.325.789	191.459.302
Proposed dividend for the year		5.836.271	0
Equity		**184.213.060**	**191.510.302**
Provision for deferred tax		0	356.342
Provisions		**0**	**356.342**
Mortgage loans		361.839.956	362.836.193
Long-term debt	7	**361.839.956**	**362.836.193**
Mortgage loans	7	1.156.684	2.088.905
Trade payables		99.344	480.122
Payables to group enterprises relating to corporation tax		2.880.567	2.382.993
Deposits		7.834.580	6.970.888
Other payables		775.115	409.381
Deferred income		463.623	420.298
Short-term debt		**13.209.913**	**12.752.587**
Debt		**375.049.869**	**375.588.780**
Liabilities and equity		**559.262.929**	**567.455.424**
Key activities	1		
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Accounting Policies	9		

Statement of Changes in Equity

	Share capital	Retained earnings	Proposed dividend for the year	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	51.000	191.459.302	0	191.510.302
Net profit/loss for the year	0	-13.133.513	5.836.271	-7.297.242
Equity at 31 December	**51.000**	**178.325.789**	**5.836.271**	**184.213.060**

Notes to the Financial Statements

1 Key activities

The purpose of the Company is investment, owner-ship, administration, development and sale of properties and any business related hereto.

	2022	2021
	DKK	DKK

2 Value adjustments of investment assets and the financial liabilities involved

	2022	2021
Value adjustments of investment assets and the financial liabilities involved	-16.100.000	-9.478.841
	-16.100.000	**-9.478.841**

3 Financial income

	2022	2021
Interest received from group enterprises	37.306	0
	37.306	**0**

4 Financial expenses

	2022	2021
Other financial expenses	4.489.483	4.119.701
	4.489.483	**4.119.701**

5 Tax on profit/loss for the year

	2022	2021
Current tax for the year	497.574	157.542
Deferred tax for the year	-2.555.791	-952.163
	-2.058.217	**-794.621**

Notes to the Financial Statements

6 Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	578.142.951
Cost at 31 December	578.142.951
Value adjustments at 1 January	-17.242.951
Revaluations for the year	-16.100.000
Value adjustments at 31 December	-33.342.951
Carrying amount at 31 December	**544.800.000**

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods (DCF calculations) based on management's expectations for future cash flow, required rate of return etc.

The estimates applied are based on information and assumptions considered reasonable by Management but which areinherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed evens do not occur as expected. Such difference may be material.

The fair value of Nygade 1-3, 1164 København K (Retail) has been calculated based on the following assumptions:

	2022	2021
	DKK	DKK
Budget period	11 years	11 years
Discount rate	6,00 %	5,25 %
Growth in terminal period	2,0%	1,5 %

The fair value of Nygade 1-3, 1164 København K (Residential) has been calculated based on the following assumptions:

Budget period	11 years	11 years
Discount rate	5,50 %	4,75 %
Growth in terminal period	2,0 %	1,5 %

Notes to the Financial Statements

7 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	356.935.343	354.501.701
Between 1 and 5 years	4.904.613	8.334.492
Long-term part	361.839.956	362.836.193
Within 1 year	1.156.684	2.088.905
	362.996.640	**364.925.098**

8 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:

Mortgage deeds registered to the mortgagor totalling DKK 380.655.000 providing security on land and buildings with a carrying amount	544.800.000	560.900.000

Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income as well as Danish withholding taxes trough dividend tax and tax on unearned income. The total amount of tax payables is included in the Annual Report of WRE Denmark – Commercial – Non-Cph ApS that is the administration Company in relation to the joint taxation.

The company has a part of debt to credit institutions mortgage the investment properties across the Danish companies within this fund.

Notes to the Financial Statements

9 Accounting Policies

The Annual Report of Nygade 1-3 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.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

Notes to the Financial Statements

9 Accounting Policies (continued)

Income Statement

Revenue

Revenue from rent is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

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

Expenses concerning investment properties

Expenses concerning investment properties primarily include operating expenses for the year.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss after value adjustments

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses concerning investment properties and other external expenses.

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.

The Company is jointly taxed with wholly owned Danish subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Notes to the Financial Statements

9 Accounting Policies (continued)

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 measure at cost comprising the acquisition price and costs of acquisition.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

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 fair value of investment properties has been assessed by the independent assessor firm Nordicals at 31 December 2022.

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. The assumptions applied are disclosed in the notes.

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.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions, utility cost and interest.

Dividend

Dividend distribution proposed by Management for the year is disclosed as a separate equity item.

Notes to the Financial Statements

9 Accounting Policies (continued)

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 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.

Financial debts

Loans, such as mortgage loans and loans from credit institutions, 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.

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

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.