

KOWO Ejendomme ApS

Sigerstedvej 27, 4100 Ringsted

Company reg. no. 38 49 09 82

Annual report

1 January - 31 December 2019

The annual report was submitted and approved by the general meeting on the 26 May 2020.

Alicja Barbara Koss

Chairman of the meeting

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS British 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 %.

Contents

	<u>Page</u>
Reports	
Management's report	1
Independent auditor's report	2
Management commentary	
Company information	5
Management commentary	6
Financial statements 1 January - 31 December 2019	
Income statement	7
Statement of financial position	8
Notes	10
Accounting policies	12

Management's report

Today, the managing director has presented the annual report of KOWO Ejendomme ApS for the financial year 1 January - 31 December 2019.

The annual report has been presented in accordance with the Danish Financial Statements Act.

I consider the accounting policies appropriate and, in my opinion, the financial statements provide a fair presentation of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the company's results of activities in the financial year 1 January – 31 December 2019.

I am of the opinion that the management commentary presents a fair account of the issues dealt with.

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

Ringsted, 4 May 2020

Managing Director

Alicja Barbara Koss

Independent auditor's report

To the shareholder of KOWO Ejendomme ApS

Opinion

We have audited the financial statements of KOWO Ejendomme ApS for the financial year 1 January - 31 December 2019, which comprise accounting policies, income statement, statement of financial position and notes. The financial statements have been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements present a fair view of the company's assets, equity and liabilities, and financial position at 31 December 2019 and of the results of the company's activities for the financial year 1 January - 31 December 2019 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the section "Auditor's responsibilities for the audit of the financial statements". We are independent of the company in accordance with international ethical requirements for auditors (IESBA's Code of Ethics), and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that provide a fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the 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 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 including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing, 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.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing, and the additional requirements applicable in Denmark, we exercise professional judgment 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 the 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 preparation of the financial statements using the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists arising from 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 disclosures in notes, and whether the financial statements reflect the underlying transactions and events in a manner that presents a 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 the internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on and the financial statements does not cover the management commentary, and we express no assurance opinion thereon.

Independent auditor's report

In connection with our audit of the financial statements, it is our responsibility to read the management commentary and to consider whether the management commentary is materially inconsistent with the financial statements or the evidence obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that management commentary is consistent with the financial statements and that it has been prepared in accordance with the provisions of the Danish Financial Statement Act. We did not discover any material misstatement in the management commentary.

Copenhagen, 4 May 2020

BUUS JENSEN

State Authorised Public Accountants
Company reg. no. 16 11 90 40

Lotte Nørskov

State Authorised Public Accountant
mne32825

Company information

The company

KOWO Ejendomme ApS

Sigerstedvej 27

4100 Ringsted

Company reg. no. 38 49 09 82

Established: 10 March 2017

Domicile: Ringsted

Financial year: 1 January 2019 - 31 December 2019

3rd financial year

Managing Director

Alicja Barbara Koss

Auditors

BUUS JENSEN, Statsautoriserede revisorer

Management commentary

The principal activities of the company

The principal activities are purchase of building plots and real estate in Poland and other services related to these businesses.

Development in activities and financial matters

The income or loss from ordinary activities after tax totals DKK -40.000 against DKK -64.549 last year. Management considers the net profit or loss for the year as expected.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2019</u>	<u>2018</u>
Other external costs	-6.902	-17.926
Gross profit	-6.902	-17.926
Depreciation and impairment of property, land, and equipment	-32.830	-32.830
Operating profit	-39.732	-50.756
Other financial income	3.273	0
1 Other financial costs	-5.565	-13.483
Pre-tax net profit or loss	-42.024	-64.239
2 Tax on net profit or loss for the year	2.024	-310
Net profit or loss for the year	-40.000	-64.549
Proposed appropriation of net profit:		
Allocated from retained earnings	-40.000	-64.549
Total allocations and transfers	-40.000	-64.549

Statement of financial position at 31 December

All amounts in DKK.

Assets			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Non-current assets			
3	Property	<u>1.720.661</u>	<u>1.753.491</u>
	Total property, plant, and equipment	<u>1.720.661</u>	<u>1.753.491</u>
	Total non-current assets	<u>1.720.661</u>	<u>1.753.491</u>
Current assets			
	Income tax receivables	<u>2.024</u>	<u>6.910</u>
	Total receivables	<u>2.024</u>	<u>6.910</u>
	Cash on hand and demand deposits	<u>320.403</u>	<u>327.427</u>
	Total current assets	<u>322.427</u>	<u>334.337</u>
	Total assets	<u>2.043.088</u>	<u>2.087.828</u>

Statement of financial position at 31 December

All amounts in DKK.

Equity and liabilities			
<u>Note</u>		<u>2019</u>	<u>2018</u>
Equity			
4	Contributed capital	50.000	50.000
5	Retained earnings	1.718.637	1.758.637
	Total equity	1.768.637	1.808.637
 Liabilities other than provisions			
	Trade payables	6.250	9.500
	Payables to group enterprises	268.201	269.691
	Total short term liabilities other than provisions	274.451	279.191
	Total liabilities other than provisions	274.451	279.191
	Total equity and liabilities	2.043.088	2.087.828

6 Contingencies

Notes

All amounts in DKK.

	<u>2019</u>	<u>2018</u>
1. Other financial costs		
Financial costs, group enterprises	5.420	5.472
Other financial costs	<u>145</u>	<u>8.011</u>
	<u>5.565</u>	<u>13.483</u>
2. Tax on net profit or loss for the year		
Tax of the results for the year, parent company	-2.024	-6.910
Adjustment for the year of deferred tax	<u>0</u>	<u>7.220</u>
	<u>-2.024</u>	<u>310</u>
3. Property		
Cost 1 January 2019	<u>1.819.151</u>	<u>1.819.151</u>
Cost 31 December 2019	<u>1.819.151</u>	<u>1.819.151</u>
Depreciation and writedown 1 January 2019	-65.660	-32.830
Depreciation for the year	<u>-32.830</u>	<u>-32.830</u>
Depreciation and writedown 31 December 2019	<u>-98.490</u>	<u>-65.660</u>
Carrying amount, 31 December 2019	<u>1.720.661</u>	<u>1.753.491</u>
4. Contributed capital		
Contributed capital 1 January 2019	<u>50.000</u>	<u>50.000</u>
	<u>50.000</u>	<u>50.000</u>
5. Retained earnings		
Retained earnings 1 January 2019	1.758.637	186
Profit or loss for the year brought forward	-40.000	-64.549
Tax-free subsidies from jointly taxed company	<u>0</u>	<u>1.823.000</u>
	<u>1.718.637</u>	<u>1.758.637</u>

Notes

All amounts in DKK.

6. Contingencies

Contingent liabilities

The company is general partner in "KOWO Ejendomme ApS sp.k." and are liable for the Partnership's liabilities to creditors without limits.

Joint taxation

With A.R. Holding ApS, company reg. no 37 25 90 71 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 jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

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

Accounting policies

The annual report for KOWO Ejendomme 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.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of transaction. Exchange rate differences arising between the rate at the date of transaction and the rate at the date of payment are recognised in the income statement as an item under net financials.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets and other nonmonetary assets acquired in foreign currency and not considered to be investment assets are measured using the exchange rate at the transaction date.

If the foreign group enterprises and associates meet the criteria for independent entities, their income statements are translated using an average exchange rate for the period in question and the balance sheet items are translated using the closing rate. Differences arising from translating the equity of foreign group enterprises at the beginning of the year using the closing rate are recognised directly in equity. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Translation adjustment of balances with foreign group enterprises considered part of the total investment in group enterprises are recognised directly in equity. Likewise, foreign exchange gains and losses on loans and derivatives for the currency hedging of independent foreign group enterprises are recognised directly in equity.

Income statement

Other external costs

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

Accounting policies

Depreciation, amortisation, and writedown for impairment

Depreciation, amortisation, and writedown for impairment comprise depreciation, amortisation, and writedown for the year and profit and loss on the disposal of intangible and tangible assets.

Financial income and expenses

Financial income and expenses comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc. Financial income and expenses are recognised in the income statement with the amounts concerning the financial year.

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 company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

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

Property, plant, and equipment

Property is measured at cost plus revaluations and less accrued depreciation and writedown for impairment. Land is not subject to depreciation.

Property is revaluated on the basis of regular, independent fair-value assessments. Net revaluation at fair value adjustment is recognised directly in equity less deferred tax and tied up in a particular revaluation reserve. Net impairment loss at fair value adjustment is recognised in the income statement.

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

Reversal of previous revaluations and recognised deferred taxes concerning revaluations are recognised directly in company equity.

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

The cost of a total asset is divided into separate components. These components are depreciated separately when the useful lives of each individual components differ.

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

	Useful life
Buildings	50 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.

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank and on hand.

Income tax and deferred tax

Current tax receivables and tax liabilities are recognised in the statement of financial position with the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes. Tax receivables and tax liabilities are offset to the extent that a legal right of set-off exists and the items are expected to be settled net or simultaneously.

According to the rules of joint taxation, KOWO Ejendomme 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 tax on all temporary differences in the carrying amount and tax base of assets and liabilities measured on the basis of the planned application of the asset and disposal of the liability, respectively.

Deferred tax assets, including the tax value of tax losses eligible for carryforward, are recognised at their expected realisable value, either by settlement against tax of future earnings or by setoff in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisation value.

Deferred tax is measured on the basis of the tax rules and tax rates of applicable legislation at the reporting date and prevailing when the deferred tax is expected to be released as current tax.

Liabilities other than provisions

Other liabilities other than provisions are measured at amortised cost which usually corresponds to the nominal value.