
WRE Denmark - Tårnby Port ApS

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

Annual Report for 1 January - 31 December 2021

CVR No 38 77 56 93

The Annual Report was
presented and adopted at
the Annual General
Meeting of the Company on
20/04 2022

Peter Back
Chairman of the General
Meeting



pwc

Contents

	<u>Page</u>
Management's Statement and Auditor's Report	
Management's Statement	1
Independent Auditor's Report	2
Company Information	
Company Information	4
Financial Statements	
Income Statement 1 January - 31 December	5
Balance Sheet 31 December	6
Statement of Changes in Equity	8
Notes to the Financial Statements	9

Management's Statement

The Executive Board has today considered and adopted the Annual Report of WRE Denmark - Tårnby Port ApS for the financial year 1 January - 31 December 2021.

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 2021 of the Company and of the results of the Company operations for 2021.

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

Copenhagen, 20 April 2022

Executive Board

Peter Back
CEO

Independent Auditor's Report

To the Shareholder of WRE Denmark - Tårnby Port 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 WRE Denmark - Tårnby Port ApS for the financial year 1 January - 31 December 2021, 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

Independent Auditor's Report

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, 20 April 2022

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jacob F Christiansen
statsautoriseret revisor
mne18628

Jesper Bo Winther
statsautoriseret revisor
mne26864

Company Information

The Company

WRE Denmark - Tårnby Port ApS
c/o Lyngby Hovedgade 4
DK-2800 Kgs. Lyngby

CVR No: 38 77 56 93

Financial period: 1 January - 31 December

Municipality of reg. office: Lyngby, Denmark

Executive Board

Peter Back

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income Statement 1 January - 31 December

	Note	2021 DKK	2020 DKK
Gross profit/loss before value adjustments		7.068.238	6.619.450
Value adjustments of investment assets	3	<u>7.000.000</u>	<u>7.200.000</u>
Gross profit/loss after value adjustments		14.068.238	13.819.450
Financial expenses	4	<u>-1.009.990</u>	<u>-1.343.108</u>
Profit/loss before tax		13.058.248	12.476.342
Tax on profit/loss for the year	5	<u>-2.872.808</u>	<u>-2.744.796</u>
Net profit/loss for the year		<u>10.185.440</u>	<u>9.731.546</u>

Distribution of profit

Proposed distribution of profit

Retained earnings	<u>10.185.440</u>	<u>9.731.546</u>
	<u>10.185.440</u>	<u>9.731.546</u>

Balance Sheet 31 December

Assets

	Note	2021 DKK	2020 DKK
Investment properties		199.400.000	192.400.000
Property, plant and equipment	6	199.400.000	192.400.000
Fixed assets		199.400.000	192.400.000
Trade receivables		218	11.837
Other receivables		0	900
Receivables		218	12.737
Cash at bank and in hand		5.633.665	1.565.094
Currents assets		5.633.883	1.577.831
Assets		205.033.883	193.977.831

Balance Sheet 31 December

Liabilities and equity

	Note	2021 DKK	2020 DKK
Share capital		52.000	52.000
Retained earnings		95.626.897	85.441.457
Equity		95.678.897	85.493.457
Provision for deferred tax		16.466.497	14.648.633
Provisions		16.466.497	14.648.633
Mortgage loans		83.477.036	84.001.568
Payables to group enterprises		2.069.530	3.066.302
Long-term debt	7	85.546.566	87.067.870
Mortgage loans	7	509.531	484.270
Trade payables		220.796	251.697
Payables to group enterprises relating to corporation tax		3.074.220	2.019.276
Deposits		2.724.771	2.798.240
Other payables		444.075	618.574
Deferred income		368.530	595.814
Short-term debt		7.341.923	6.767.871
Debt		92.888.489	93.835.741
Liabilities and equity		205.033.883	193.977.831
Development in the year	1		
Key activities	2		
Contingent assets, liabilities and other financial obligations	8		
Accounting Policies	9		

Statement of Changes in Equity

	<u>Share capital</u> DKK	<u>Retained earnings</u> DKK	<u>Total</u> DKK
Equity at 1 January	52.000	85.441.457	85.493.457
Net profit/loss for the year	0	10.185.440	10.185.440
Equity at 31 December	52.000	95.626.897	95.678.897

Notes to the Financial Statements

1 Development in the year

The consequences of Covid-19, in which many governments around the world in 2020-2021 have decided to "shut down the countries", are having a major impact on the world economy. The company has so far slightly been impacted by the effects of Covid-19. Management is following developments closely.

2 Key activities

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

	<u>2021</u> DKK	<u>2020</u> DKK
3 Value adjustments of investment assets		
Other value adjustments of investment properties	<u>7.000.000</u>	<u>7.200.000</u>
	<u>7.000.000</u>	<u>7.200.000</u>
4 Financial expenses		
Interest expenses to group enterprises	128.812	426.789
Other financial expenses	<u>881.178</u>	<u>916.319</u>
	<u>1.009.990</u>	<u>1.343.108</u>
5 Tax on profit/loss for the year		
Current tax for the year	1.054.944	882.052
Deferred tax for the year	<u>1.817.864</u>	<u>1.862.744</u>
	<u>2.872.808</u>	<u>2.744.796</u>

Notes to the Financial Statements

6 Assets measured at fair value

	Investment pro- perties <u>DKK</u>
Cost at 1 January	<u>130.945.349</u>
Cost at 31 December	<u>130.945.349</u>
Value adjustments at 1 January	61.454.651
Revaluations for the year	<u>7.000.000</u>
Value adjustments at 31 December	<u>68.454.651</u>
Carrying amount at 31 December	<u>199.400.000</u>

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 fair value of Tårnby Port (Retail) has been calculated based on the following assumptions:

	<u>2021</u> DKK	<u>2020</u> DKK
Budget period	11 years	11 years
Discount rate	6,5 %	6,5 %
Growth in terminal period	1,5 %	1,5 %

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 fair value of Tårnby Port (Residential) has been calculated based on the following assumptions:

Budget period	11 years	11 years
Discount rate	5,25%	5,50%
Growth in terminal period	1,5%	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:

	<u>2021</u> DKK	<u>2020</u> DKK
Mortgage loans		
After 5 years	81.441.690	82.058.756
Between 1 and 5 years	<u>2.035.346</u>	<u>1.942.812</u>
Long-term part	83.477.036	84.001.568
Within 1 year	<u>509.531</u>	<u>484.270</u>
	<u>83.986.567</u>	<u>84.485.838</u>
Payables to group enterprises		
After 5 years	<u>2.069.530</u>	<u>3.066.302</u>
Long-term part	2.069.530	3.066.302
Within 1 year	<u>0</u>	<u>0</u>
	<u>2.069.530</u>	<u>3.066.302</u>

8 Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with mortgage credit institutes:

Mortgage deeds registered to the mortgagor totaling DKK 87.551.000 providing security on land and buildings with a carrying amount	199.400.000	192.400.000
--	-------------	-------------

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 through dividend tax and tax on unearned income. The total amount of tax payables is included in the Annual Report of WRE Denmark 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 WRE Denmark - Tårnby Port ApS for 2021 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 2021 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 measured 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 supported by the independent assessor firm Nordicals at 31 December 2021.

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.

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.

Prepayments

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

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.