

Neptune Ejendomme ApS


Fridtjof Nansens Plads 5, 2100 København Ø

CVR no. 39 05 82 86

Annual report 2021

Approved at the Company's annual general meeting on

Chair of the meeting:

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Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of Neptune Ejendomme ApS 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2021 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2021.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

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

Copenhagen, **20 MAJ 2022**
Executive Board:



Harry Duncan MacDonald



Katia Ciesielska



Carl Edgar Serge Vøgg

Independent auditor's report

To the shareholders of Neptune Ejendomme ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Neptune Ejendomme ApS 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, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2021, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows 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 consolidated financial statements and the parent Company financial statements" (hereinafter collectively referred to as "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 Group in accordance with the International Ethics Standards Board for Accountants' 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 consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

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.
- ▶ 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 Group's and the Parent 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 Group's and the Parent 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 Group and the Parent 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.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Independent auditor's report

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.

Odense, *20 Mai 2022*
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Morten Schougaard Sørensen
State Authorised Public Accountant
mne32129

Management's review

Company details

Name	Neptune Ejendomme ApS
Address, Postal code, City	Fridtjof Nansens Plads 5, 2100 København Ø
CVR no.	39 05 82 86
Established	31 October 2017
Registered office	København
Financial year	1 January - 31 December
Executive Board	Harry Duncan MacDonald Katia Ciesielska Carl Edgar Serge Vøgg
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Financial highlights for the Group

DKK'000	2021 12 months	2020 12 months	2019 12 months	2017/18 14 months
Key figures				
Gross profit/loss	225,959	166,268	162,620	109,688
Ordinary operating profit/loss	175,986	119,870	113,668	59,823
Net financials	-25,321	-31,369	-38,819	-56,500
Profit before tax	153,388	88,618	74,849	4,145
Profit for the year	121,535	68,804	57,378	2,835
Total assets				
Equity	2,231,768	2,276,853	2,415,969	2,480,080
Provisions	339,294	335,414	266,610	230,732
	81,556	81,593	87,089	100,996
Amount relating to investments in property, plant and equipment				
	-157,164	-52,158	-46,118	-425,128
Financial ratios				
Equity ratio	15.2%	14.7%	11.0%	9.3%
Return on equity	36.0%	22.9%	23.1%	1.2%
Average number of full-time employees				
	10	8	8	7

The financial ratios stated under "Financial highlights" have been calculated as follows:

Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss after tax} \times 100}{\text{Average equity}}$

Management's review

Business review

The group's and the company's principal activities is to own and hold shares in companies, buying, selling and renting real estate and any other related business.

Financial review

The income statement for 2021 shows a profit of DKK 121,535 thousand against a profit of DKK 68,804 thousand last year, and the group's balance sheet at 31 December 2021 shows equity of DKK 339,294 thousand.

During the year, the Group made Capex investments in land and buildings of DKK 124 million.

Profit for the year is positively influenced by net gain on sale of properties by approximately DKK 53.8 million.

The profit for 2021 is not materially effected by the outbreak of COVID19.

Management considers the group's financial performance in the year satisfactory.

Events after the balance sheet date

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

Outlook

The Group's activity and profit for 2022 is expected to be at the level of 2021.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

Note	DKK'000	Group		Parent company	
		2021	2020	2021	2020
	Gross profit/loss	225,959	166,268	-848	-660
2	Staff costs	-9,347	-8,729	0	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-40,624	-37,669	0	0
	Profit/loss before net financials	175,988	119,870	-848	-660
	Income from investments in group enterprises	0	0	118,966	91,663
	Other financial income from group enterprises	2,721	117	4,798	2,616
	Financial income	1,820	1,486	1,405	1,315
	Financial expenses, group enterprises	-1,584	-5,247	-541	-2,424
	Other financial expenses	-25,557	-27,608	-45	-1,413
	Profit before tax	153,388	88,618	123,735	91,097
3	Tax for the year	-31,853	-19,814	-740	-185
	Profit for the year	121,535	68,804	122,995	90,912
	Specification of the Group's results of operations:				
	Shareholders in Neptune Ejendomme ApS	121,535	68,839		
	Non-controlling interests	0	-35		
		121,535	68,804		

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2021	2020	2021	2020
	ASSETS				
	Fixed assets				
4	Property, plant and equipment				
	Land and buildings	2,058,234	2,087,049	0	0
	Fixtures and fittings, other plant and equipment	18	36	0	0
		<u>2,058,252</u>	<u>2,087,085</u>	<u>0</u>	<u>0</u>
5	Investments				
	Investments in group enterprises	0	0	558,475	558,475
	Other receivables	14,751	13,259	0	0
	Deposits, investments	130	129	0	0
		<u>14,881</u>	<u>13,388</u>	<u>558,475</u>	<u>558,475</u>
	Total fixed assets	<u>2,073,133</u>	<u>2,100,473</u>	<u>558,475</u>	<u>558,475</u>
	Non-fixed assets				
	Receivables				
	Trade receivables	79	62	0	0
	Receivables from group enterprises	42,957	8,953	55,599	60,406
	Corporation tax receivable	39,113	21,372	69,860	42,801
	Other receivables	3,518	5,322	0	0
6	Prepayments	891	6,046	0	0
		<u>86,558</u>	<u>41,755</u>	<u>125,459</u>	<u>103,207</u>
	Cash	<u>72,077</u>	<u>134,625</u>	<u>1,454</u>	<u>725</u>
	Total non-fixed assets	<u>158,635</u>	<u>176,380</u>	<u>126,913</u>	<u>103,932</u>
	TOTAL ASSETS	<u>2,231,768</u>	<u>2,276,853</u>	<u>685,388</u>	<u>662,407</u>

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group		Parent company	
		2021	2020	2021	2020
		EQUITY AND LIABILITIES			
		Equity			
		50	50	50	50
		165,104	224,572	486,826	544,721
		174,140	110,905	174,140	110,905
		Shareholders in Neptune Ejendomme ApS' share of equity			
		339,294	335,527	661,016	655,676
		0	-113	0	0
		339,294	335,414	661,016	655,676
		Provisions			
7	Deferred tax	69,598	69,281	0	0
9	Other provisions	11,958	12,312	0	0
	Total provisions	81,556	81,593	0	0
		Liabilities other than provisions			
8	Non-current liabilities other than provisions				
	Mortgage debt	1,618,385	1,675,158	0	0
	Payables to group entities	0	17,956	0	0
	Deposits	62,296	60,087	0	0
	Other payables	0	599	0	0
		1,680,681	1,753,800	0	0
		Current liabilities other than provisions			
8	Short-term part of long-term liabilities other than provisions				
	Bank debt	10,849	28,417	0	0
	Trade payables	79,194	37,626	0	0
	Payables to group enterprises	13,678	6,653	0	0
	Other payables	14,934	17,894	22,907	5,257
	Deferred income	11,245	15,456	1,465	1,474
		337	0	0	0
		130,237	106,046	24,372	6,731
	Total liabilities other than provisions	1,810,918	1,859,846	24,372	6,731
	TOTAL EQUITY AND LIABILITIES	2,231,768	2,276,853	685,388	662,407

- 1 Accounting policies
- 10 Contractual obligations and contingencies, etc.
- 11 Collateral
- 12 Related parties
- 13 Appropriation of profit

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in equity

		Group					
Note	DKK'000	Share capital	Retained earnings	Dividend proposed	Total	Non-controlling interests	Total equity
	Equity at 1 January 2020	50	266,638	0	266,688	-78	266,610
	Transfer through appropriation of profit	0	-42,066	110,905	68,839	-35	68,804
	Equity at 1 January 2021	50	224,572	110,905	335,527	-113	335,414
	Transfer through appropriation of profit	0	-52,605	174,140	121,535	0	121,535
	Purchase of non-controlling interests	0	-113	0	-113	113	0
	Dividend distributed	0	0	-110,905	-110,905	0	-110,905
	Proposed extraordinary dividend recognised under equity	0	-6,750	0	-6,750	0	-6,750
	Equity at 31 December 2021	50	165,104	174,140	339,294	0	339,294

		Parent company			
Note	DKK'000	Share capital	Retained earnings	Dividend proposed	Total
	Equity at 1 January 2020	50	564,714	0	564,764
13	Transfer, see "Appropriation of profit"	0	-19,993	110,905	90,912
	Equity at 1 January 2021	50	544,721	110,905	655,676
13	Transfer, see "Appropriation of profit"	0	-51,145	174,140	122,995
	Dividend distributed	0	0	-110,905	-110,905
	Proposed extraordinary dividend recognised under equity	0	-6,750	0	-6,750
	Equity at 31 December 2021	50	486,826	174,140	661,016

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group	
		2021	2020
	Profit for the year	121,535	68,804
14	Adjustments	19,097	3,459
	Cash generated from operations (operating activities)	140,632	72,263
15	Changes in working capital	10,414	28,074
	Cash generated from operations (operating activities)	151,046	100,337
	Income taxes paid	-49,228	-25,014
	Cash flows from operating activities	101,818	75,323
	Additions of property, plant and equipment	-157,164	-52,158
	Disposals of property, plant and equipment	191,395	170,559
	Cash flows to investing activities	34,231	118,401
	Dividends paid	-110,905	0
	Proceeds from bank debts	41,568	0
	Change group internal loans	-54,919	-154,769
	Repayments, long-term liabilities	-74,341	-50,544
	Repayments, bank debt	0	-6,996
	Cash flows from financing activities	-198,597	-212,309
	Net cash flow	-62,548	-18,585
	Cash and cash equivalents at 1 January	134,625	153,210
16	Cash and cash equivalents at 31 December	72,077	134,625

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Neptune Ejendomme ApS for 2021 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

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

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a subsidiary's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual subsidiaries' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of subsidiaries are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of subsidiaries which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Non-controlling interests

On initial recognition, non-controlling interests are measured at the fair value of the non-controlling interests' equity interest.

Goodwill relating to the non-controlling interests' share of the acquiree is recognised.

External business combinations

Recently acquired entities are recognised in the consolidated financial statements from the date of acquisition. Entities sold or otherwise disposed of are recognised up to the date of disposal. Comparative figures are not restated to reflect newly acquired entities. Discontinued operations are presented separately, see below.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The date of acquisition is the date when the group actually obtains control of the acquiree.

The acquisition method is applied to the acquisition of new entities of which the group obtains control. The acquirees' identifiable assets, liabilities and contingent liabilities are measured at fair value at the date of acquisition. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax related to the revaluations is recognised.

The consideration paid for an entity consists of the fair value of the agreed consideration in the form of assets transferred, liabilities assumed and equity instruments issued. If part of the consideration is contingent on future events or compliance with agreed terms, such part of the consideration is recognised at fair value at the date of acquisition. Subsequent adjustments of contingent considerations are recognised in the income statement.

Expenses incurred to acquire entities are recognised in the income statement in the year in which they are incurred.

Where, at the date of acquisition, the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the consideration is associated with uncertainty, initial recognition will take place on the basis of provisional amounts. If it turns out subsequently that the identification or measurement of the consideration transferred, acquired assets, liabilities or contingent liabilities was incorrect on initial recognition, the statement will be adjusted retrospectively, including goodwill, until 12 months after the acquisition, and comparative figures will be restated. Hereafter, any adjustments are recognised as misstatements.

Gains or losses from disposal of subsidiaries which result in loss of control are calculated as the difference between, on the one hand, the fair value of the selling price less selling expenses and, on the other hand, the carrying amount of net assets.

Intra-group business combinations

The book value method is applied to business combinations such as acquisition and disposal of investments, mergers, demergers, contributions of assets and share conversions, etc. in which entities controlled by the parent company are involved, provided that the combination is considered completed at the time of acquisition without any restatement of comparative figures. Differences between the agreed consideration and the carrying amount of the acquiree are recognised directly in equity.

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.

Income statement

Revenue

Revenue comprises rental income from the leases of properties. Revenue is recognised on an accrued basis.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, the items 'Revenue', 'Property expenses', 'Other external expenses' and 'Other operating income' are consolidated into one item designated 'Gross margin'.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Expenses, property

Includes costs associated with the operation and administration of investment properties, repairment and maintenance, property taxes and other expenses which are not paid by tenants.

Other external expenses

Other operating expenses comprise items of a secondary nature to the main activities of the Company, including losses on the sale of intangible assets and property, plant and equipment.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Buildings	50 years
Fixtures and fittings, other plant and equipment	3-5 years

Depreciation is based on the residual value of the asset and is reduced by impairment losses, if any. The depreciation period and the residual value are determined at the acquisition date and are reassessed annually. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised.

In the case of changes in the depreciation period or the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Land is not depreciated.

Profit/loss from investments in subsidiaries

The item includes dividends from investments in subsidiaries and associates. Dividend distributions that either exceed the profit for the year or where the carrying amount of the investments exceeds the consolidated carrying amounts of the subsidiary's net assets will indicate impairment for which reason an impairment test will have to be conducted.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year.

Tax

The parent company is covered by the Danish rules on mandatory joint taxation of the Group's Danish subsidiaries. Subsidiaries are included in the joint taxation arrangement from the date at which they are included in the consolidated financial statements and up to the date when they are no longer consolidated.

The parent company acts as management company for the joint taxation arrangement and consequently settles all corporate income tax payments with the tax authorities.

On payment of joint taxation contributions, the Danish corporate income tax charge is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use the tax losses to reduce their own taxable income.

Tax for the year, which comprises the current income tax charge, joint taxation contributions and deferred tax adjustments, including adjustments arising from changes in tax rates, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Gains or losses are calculated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses from the disposal of property, plant and equipment are recognised in the income statement as other operating income or other operating expenses.

Investments in subsidiaries

Investments in subsidiaries and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in subsidiaries and associates is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

Receivables are measured at amortised cost, which usually corresponds to the nominal value. Provisions are made for bad debts on the basis of objective evidence that a receivable or a group of receivables are impaired. Provisions are made to the lower of the net realisable value and the carrying amount.

Prepayments

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

Cash

Cash comprise cash.

Provisions

Other provisions comprise maintenance liabilities in accordance with section 22 of the Danish Rent Act. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Other liabilities are measured at net realisable value.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Cash flow statement

The cash flow statement shows the Company's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non cash operating items, changes in working capital and paid corporate income tax.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash comprise cash.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

	Group		Parent company	
	2021	2020	2021	2020
DKK'000				
2 Staff costs				
Wages/salaries	8,363	7,566	0	0
Pensions	471	910	0	0
Other social security costs	78	71	0	0
Other staff costs	435	182	0	0
	9,347	8,729	0	0
Average number of full-time employees	10	8	0	0

Group

By reference to section 98b(3), (ii), of the Danish Financial Statements Act, remuneration to the group Management is not disclosed.

Parent company

The parent Company has no employees.

	Group		Parent company	
	2021	2020	2021	2020
DKK'000				
3 Tax for the year				
Estimated tax charge for the year	31,536	21,944	740	185
Deferred tax adjustments in the year	317	-2,181	0	0
Tax adjustments, prior years	0	51	0	0
	31,853	19,814	740	185

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Notes to the financial statements

4 Property, plant and equipment

DKK'000	Group		
	Land and buildings	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2021	2,402,903	150	2,403,053
Additions	157,164	0	157,164
Disposals	-157,937	0	-157,937
Cost at 31 December 2021	2,402,130	150	2,402,280
Impairment losses and depreciation at 1 January 2021	315,854	114	315,968
Depreciation	40,606	18	40,624
Reversal of accumulated depreciation and impairment of assets disposed	-12,564	0	-12,564
Impairment losses and depreciation at 31 December 2021	343,896	132	344,028
Carrying amount at 31 December 2021	2,058,234	18	2,058,252

Note 11 provides more details on security for loans, etc. as regards property, plant and equipment.

5 Investments

DKK'000	Group		
	Other receivables	Deposits, investments	Total
Cost at 1 January 2021	13,259	129	13,388
Additions	1,784	1	1,785
Disposals	-292	0	-292
Cost at 31 December 2021	14,751	130	14,881
Carrying amount at 31 December 2021	14,751	130	14,881

Other receivables consists of deposits at GI.

DKK'000	Parent company Investments in group enterprises
Cost at 1 January 2021	558,475
Cost at 31 December 2021	558,475
Carrying amount at 31 December 2021	558,475

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

5 Investments (continued)

Parent company

Name	Legal form	Domicile	Interest
Subsidiaries			
Alpha 1	ApS	København	100.00%
Alpha 2	ApS	København	100.00%
Alpha 3	ApS	København	100.00%
Alpha Properties Holding	ApS	København	100.00%
Amagerbro	ApS	København	100.00%
Amagerbro Holding	ApS	København	100.00%
Beha Properties	ApS	København	100.00%
Beha V	ApS	København	100.00%
Ejendomsselskabet Gordings Gård	ApS	København	100.00%
Frederikssundsvej 264 Holding	ApS	København	100.00%
Frederikssundsvej Holding	ApS	København	100.00%
Freja Holdings	ApS	København	100.00%
Gammel Kongevej Holding	ApS	København	100.00%
Gammel Kongevej I	ApS	København	100.00%
Gordings Gård Holding	ApS	København	100.00%
GR BRF	ApS	København	100.00%
GR BRF Birkedommervej	ApS	København	100.00%
GR BRF Næstvedgade	ApS	København	100.00%
GR BRF Thorupsgaards Allé	ApS	København	100.00%
GR BRF Tomsgårdsvej	ApS	København	100.00%
GR BRF Østerbrogade 41	ApS	København	100.00%
GR HB	ApS	København	100.00%
GR HB Tingskrivervej	ApS	København	100.00%
GR HB Trianglen	ApS	København	100.00%
GR RD I	ApS	København	100.00%
GR RD II	ApS	København	100.00%
Kiwi BBA	ApS	København	100.00%
Kiwi DR	ApS	København	100.00%
Kiwi FRB	ApS	København	100.00%
Neptune Commonholds	ApS	København	100.00%
Neptune GR Holding	ApS	København	100.00%
Neptune Kiwi Holding	ApS	København	100.00%
Nordisk Ejendomsholding	ApS	København	100.00%
Nordre Fasanvej	ApS	København	100.00%
Nordre Fasanvej Holding	ApS	København	100.00%
Nørrebro III	ApS	København	100.00%
Nørrebro III Holding	ApS	København	100.00%
Nørrebro VI	ApS	København	100.00%
Nørrebro VI Holding	ApS	København	100.00%
Nørrebrogade 54A	ApS	København	100.00%
Pears Global Real Estate Denmark	ApS	København	100.00%
Peter Fabers Gade	ApS	København	100.00%
Strandloden	ApS	København	100.00%
Strandloden Holding	ApS	København	100.00%
Sølvgården	ApS	København	100.00%
Thea Holdings	ApS	København	100.00%
Thea Properties	ApS	København	100.00%
Vesterbro Holding	ApS	København	100.00%
Vesterbro I	ApS	København	100.00%
Vigga Properties	ApS	København	100.00%
Østerbro	ApS	København	100.00%

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Notes to the financial statements

6 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years, including lease compensation and insurance.

7 Deferred tax

Provision for deferred tax relates to differences between the carrying amount and the tax value of buildings and long-term liabilities.

The Group has a tax asset not capitalized of DKK 14,821 thousand relating to differences between book value and tax value of land and buildings in subsidiaries where the tax value exceeds book value.

8 Non-current liabilities other than provisions

Mortgage debt: DKK 1,570,152 thousand falls due for payment after more than 5 years after the balance sheet date.

Deposits: It is estimated that DKK 0 thousand falls due for payment after more than 5 years after the balance sheet date.

9 Other provisions

Maintenance liabilities BRL § 22, DKK 12,302 thousand.

Maintenance liabilities related to BRL § 22 are expected to fall due after 5 years.

10 Contractual obligations and contingencies, etc.

Parent company

The company is jointly and severally liable together with the other Danish companies in the Group for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax.

Tax receivable on the Group's joint taxable income amounts to DKK 39.1 million at the balance sheet date.

Group

The group companies are jointly and severally liable together with the other Danish companies in the larger Group for tax on the group's jointly taxed income and for certain possible withholding taxes such as dividend tax.

Tax receivable on the Group's joint taxable income amounts to DKK 39.1 million at the balance sheet date.

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Notes to the financial statements

11 Collateral

Group

As security for the group's debt to mortgage credit institutions and other credit institutions, the group has provided security or other collateral in land and buildings with a total book value of DKK 2,053,340 thousand.

Debt to mortgage credit institutions totals DKK 1,629,234 thousands.

Letter of indemnity totalling DKK 471,153 thousand are held by the Group.

Parent company

The parent Company has not placed any assets as security for loans at 31/12 2021.

12 Related parties

Group

Neptune Ejendomme ApS' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Neptune Properties S.à.r.l.	Luxembourg	Shareholder

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Cornway Ltd.	Cyprus	Giannou Kranidioti & Spyrou Kyprianou, 1st Floor, Nicosia 1065 Cyprus

Related party transactions

The Company solely discloses related party transactions that have not been carried out on an arm's length basis, cf. section 98c(7) of the Danish Financial Statements Act.

All transactions have been carried out on an arm's length basis.

DKK'000	<u>Parent company</u>	
	<u>2021</u>	<u>2020</u>
13 Appropriation of profit		
Recommended appropriation of profit		
Proposed dividend recognised under equity	174,140	110,905
Extraordinary dividend distributed in the year	6,750	0
Retained earnings/accumulated loss	-57,895	-19,993
	<u>122,995</u>	<u>90,912</u>

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Notes to the financial statements

DKK'000	Group	
	2021	2020
14 Adjustments		
Amortisation/depreciation and impairment losses	40,624	37,669
Gain/loss on the sale of non-current assets	-53,752	-53,973
Tax for the year	31,852	19,813
Other adjustments	373	-50
	<u>19,097</u>	<u>3,459</u>
15 Changes in working capital		
Change in receivables	5,449	30,174
Change in trade and other payables	4,965	-2,100
	<u>10,414</u>	<u>28,074</u>
16 Cash and cash equivalents at year-end		
Cash according to the balance sheet	<u>72,077</u>	<u>134,625</u>
	<u>72,077</u>	<u>134,625</u>