Neptune Ejendomme ApS

Trianglen 4, 3. tv, 2100 København Ø

CVR no. 39 05 82 86

Annual report 2022

Approved at the Company's annual general meeting on 22 May 2023

Chair of the meeting:

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Contents

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 2022.

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 2022 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 2022.

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

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

Copenhagen, 22 May 2023
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 2022, 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 2022, 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 2022 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" (herinafter 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' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Management's responsibilities for the financial statements

Management is responsible for the preparation of 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, 22 May 2023
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	Trianglen 4, 3. tv, 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	2022	2021	2020	2019
Key figures				
Gross profit/loss	121,929	225,959	166,268	162,620
Ordinary operating profit/loss	71,650	175,988	119,870	113,668
Net financials	-29,045	-25,321	-31,369	-38,819
Profit before tax	43,528	153,388	88,618	74,849
Profit for the year	**32,991**	**121,535**	**68,804**	**57,378**
Total assets	2,299,874	2,231,768	2,276,853	2,415,969
Investments in property, plant and equipment	-145,261	-157,164	-52,158	-46,118
Equity	**190,244**	**339,294**	**335,414**	**266,610**
Provisions	84,537	81,556	81,593	87,089
Financial ratios				
Equity ratio	8.3%	15.2%	14.7%	11.0%
Return on equity	12.5%	36.0%	22.9%	23.1%
Average number of full-time employees	**11**	**10**	**8**	**8**

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

Equity ratio $$\frac{\text{Equity, year-end x 100}}{\text{Total equity and liabilities, year-end}}$$

Return on equity $$\frac{\text{Profit/loss after tax x 100}}{\text{Average equity}}$$

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 2022 shows a profit of DKK 32,991 thousand against a profit of DKK 121,535 thousand last year, and the balance sheet at 31 December 2022 shows equity of DKK 190,244 thousand.

During the year, the Group made Capex investments in land and buildings of DKK 113 million.

Profit for the year is positively influenced by net gain on sale of properties by approximately DKK 13.2 million.

The profit for 2022 is lower than expected due to fewer property sales.

Financial risks and use of financial instruments

The Group does not have signifcant credit risk or currency risk. The Group has risk in relation to interest on primary morgage loan. Interest are fixed in a period between 0 and 4.25 years. The Group does not use financial instruments to hedge interest.

Impact on the external environment

The primary activity of the Group is real estate investment and the main impact on the external environment is energy and water consumption in the buildings. The Group focuses on increasing energy and water efficiency as a part of the refurbishment process.

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 2023 is expected to be at the level of 2022.

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

Income statement

Note	DKK'000	Group 2022	Group 2021	Parent company 2022	Parent company 2021
	Gross profit/loss	121,929	225,959	-751	-848
3	Staff costs	-9,429	-9,347	0	0
	Amortisation/depreciation and impairment of intangible assets and property, plant and equipment	-40,850	-40,624	0	0
	Profit/loss before net financials	71,650	175,988	-751	-848
	Income from investments in group enterprises	0	0	157,194	118,966
	Other financial income from group enterprises	923	2,721	2,497	4,798
	Financial income	2,655	1,820	2,349	1,405
	Financial expenses, group enterprises	-1,538	-1,584	-1,593	-541
	Other financial expenses	-30,162	-25,557	-2	-45
	Profit before tax	43,528	153,388	159,694	123,735
4	Tax for the year	-10,537	-31,853	-37	-740
	Profit for the year	32,991	121,535	159,657	122,995

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

Balance sheet

		Group		Parent company	
Note	DKK'000	2022	2021	2022	2021
	ASSETS				
	Fixed assets				
5	**Property, plant and equipment**				
	Land and buildings	2,158,093	2,058,234	0	0
	Fixtures and fittings, other plant and equipment	0	18	0	0
		2,158,093	2,058,252	0	0
6	**Investments**				
	Investments in group enterprises	0	0	558,475	558,475
	Other receivables	7,546	14,751	0	0
	Deposits, investments	78	130	0	0
		7,624	14,881	558,475	558,475
	Total fixed assets	2,165,717	2,073,133	558,475	558,475
	Non-fixed assets				
	Receivables				
	Trade receivables	0	79	0	0
	Receivables from group enterprises	20,280	42,957	82,680	55,599
	Corporation tax receivable	16,703	39,113	24,197	69,860
	Other receivables	3,212	3,518	10	0
7	Prepayments	3,687	891	0	0
		43,882	86,558	106,887	125,459
	Cash	90,275	72,077	555	1,454
	Total non-fixed assets	134,157	158,635	107,442	126,913
	TOTAL ASSETS	2,299,874	2,231,768	665,917	685,388

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

Balance sheet

		Group		Parent company	
Note	DKK'000	2022	2021	2022	2021
	EQUITY AND LIABILITIES				
	Equity				
	Share capital	50	50	50	50
	Retained earnings	178,813	165,104	638,582	486,826
	Dividend proposed	11,381	174,140	11,381	174,140
	Total equity	190,244	339,294	650,013	661,016
	Provisions				
8	Deferred tax	72,600	69,598	0	0
10	Other provisions	11,937	11,958	0	0
	Total provisions	84,537	81,556	0	0
	Liabilities other than provisions				
9	**Non-current liabilities other than provisions**				
	Mortgage debt	1,819,024	1,618,385	0	0
	Deposits	68,826	62,296	0	0
		1,887,850	1,680,681	0	0
	Current liabilities other than provisions				
9	Short-term part of long-term liabilities other than provisions	11,735	10,849	0	0
	Bank debt	63,314	79,194	0	0
	Trade payables	17,772	13,679	0	0
	Payables to group enterprises	31,070	14,934	27,216	22,907
	Other payables	13,151	11,245	68	1,467
	Deferred income	205	337	0	0
		137,247	130,238	27,284	24,374
	Total liabilities other than provisions	2,025,097	1,810,919	27,284	24,374
	TOTAL EQUITY AND LIABILITIES	2,299,878	2,231,769	677,297	685,390

1 Accounting policies
2 Events after the balance sheet date
11 Contractual obligations and contingencies, etc.
12 Collateral
13 Related parties
14 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 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 1 January 2022	50	165,104	174,140	339,294	0	339,294
	Transfer through appropriation of profit	0	21,610	11,381	32,991	0	32,991
	Dividend distributed	0	0	-174,140	-174,140	0	-174,140
	Proposed extraordinary dividend recognised under equity	0	-7,901	0	-7,901	0	-7,901
	Equity at 31 December 2022	50	178,813	11,381	190,244	0	190,244

		Parent company			
Note	DKK'000	Share capital	Retained earnings	Dividend proposed	Total
	Equity at 1 January 2021	50	544,721	110,905	655,676
14	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 1 January 2022	50	486,826	174,140	661,016
14	Transfer, see "Appropriation of profit"	0	159,657	11,381	171,038
	Dividend distributed	0	0	-174,140	-174,140
	Proposed extraordinary dividend recognised under equity	0	-7,901	0	-7,901
	Equity at 31 December 2022	50	638,582	11,381	650,013

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

Cash flow statement

		Group	
Note	DKK'000	2022	2021
	Profit for the year	32,991	121,535
15	Adjustments	38,383	19,097
	Cash generated from operations (operating activities)	71,374	140,632
16	Changes in working capital	17,038	10,414
	Cash generated from operations (operating activities)	88,412	151,046
	Income taxes paid	14,879	-49,228
	Cash flows from operating activities	103,291	101,818
	Additions of property, plant and equipment	-145,261	-157,164
	Disposals of property, plant and equipment	17,752	191,395
	Cash flows to investing activities	-127,509	34,231
	Dividends paid	-182,041	-110,905
	Proceeds from bank debts	38,812	41,568
	Change group internal loans	-15,880	-54,919
	Repayments, long-term liabilities	201,525	-74,341
	Cash flows from financing activities	42,416	-198,597
	Net cash flow	18,198	-62,548
	Cash and cash equivalents at 1 January	72,077	134,625
17	**Cash and cash equivalents at 31 December**	90,275	72,077

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 2022 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.

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

Notes to the financial statements

1 **Accounting policies (continued)**

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

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.

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 investmentproperties, 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.

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

Notes to the financial statements

1 **Accounting policies (continued)**

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.

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.

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

Notes to the financial statements

1 **Accounting policies (continued)**

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).

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

The Company has chosen IAS 39 as interpretation for impairment write-down of financial 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 liabilites 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.

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

Notes to the financial statements

1 **Accounting policies (continued)**

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.

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.

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Notes to the financial statements

2 Events after the balance sheet date

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

	Group		Parent company	
DKK'000	2022	2021	2022	2021
3 Staff costs				
Wages/salaries	8,353	8,363	0	0
Pensions	569	471	0	0
Other social security costs	91	78	0	0
Other staff costs	416	435	0	0
	9,429	9,347	0	0
Average number of full-time employees	11	10	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	
DKK'000	2022	2021	2022	2021
4 Tax for the year				
Estimated tax charge for the year	7,484	31,536	37	740
Deferred tax adjustments in the year	3,053	317	0	0
	10,537	31,853	37	740

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Notes to the financial statements

5 Property, plant and equipment

DKK'000	Group		
	Land and buildings	Fixtures and fittings, other plant and equipment	Total
Cost at 1 January 2022	2,402,130	93	2,402,223
Additions	145,261	0	145,261
Disposals	-4,569	0	-4,569
Cost at 31 December 2022	2,542,822	93	2,542,915
Impairment losses and depreciation at 1 January 2022	343,896	75	343,971
Depreciation	40,833	18	40,851
Impairment losses and depreciation at 31 December 2022	384,729	93	384,822
Carrying amount at 31 December 2022	2,158,093	0	2,158,093

Note 12 provides more details on security for loans, etc. as regards property, plant and equipment.

6 Investments

DKK'000	Group		
	Other receivables	Deposits, investments	Total
Cost at 1 January 2022	14,751	130	14,881
Additions	176	0	176
Disposals	-7,381	-52	-7,433
Cost at 31 December 2022	7,546	78	7,624
Carrying amount at 31 December 2022	7,546	78	7,624

Other receivables consists of deposits at GI.

DKK'000	Parent company
	Investments in group enterprises
Cost at 1 January 2022	558,475
Cost at 31 December 2022	558,475
Carrying amount at 31 December 2022	558,475

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Notes to the financial statements

6 Investments (continued)

Parent company

Name	Legal form	Domicile	Interest
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%
Strandlodden	ApS	København	100.00%
Strandlodden 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

7 **Prepayments**

Group

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

8 **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 16,990 thousand relating to differences between book value and tax value of land and buildings in subsidiaries where the tax value exceeds book value.

9 **Non-current liabilities other than provisions**

Mortgage debt: DKK 1,720,647 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.

10 **Other provisions**

Maintenance liabilities BRL § 22, DKK 11,937 thousand.

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

11 **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 4 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 4 million at the balance sheet date.

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Notes to the financial statements

12 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 2,158,093 thousand.

Debt to mortgage credit institutions totals DKK 1,830,759 thousands.

Letter of indemnity totalling DKK 441,153 thousand are held by the Group.

Parent company

The parent Company has not placed any assets as security for loans at 31/12 2022.

13 Related parties

Group

Neptune Ejendomme ApS' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
Neptune Properties S.à.r.l.	Luxembourg	Shareholder

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
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.

		Parent company	
	DKK'000	2022	2021
14	**Appropriation of profit**		
	Recommended appropriation of profit		
	Proposed dividend recognised under equity	11,381	174,140
	Extraordinary dividend distributed in the year	7,901	6,750
	Retained earnings/accumulated loss	140,375	-57,895
		159,657	122,995

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	DKK'000	Group 2022	Group 2021
15	**Adjustments**		
	Amortisation/depreciation and impairment losses	40,850	40,624
	Gain/loss on the sale of non-current assets	-13,183	-53,752
	Tax for the year	10,533	31,852
	Other adjustments	183	373
		38,383	19,097
16	**Changes in working capital**		
	Change in receivables	4,845	5,449
	Change in trade and other payables	12,193	4,965
		17,038	10,414
17	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	90,275	72,077
		90,275	72,077