Pristine Properties ApS

Sofiendalsvej 88, 9200 Aalborg SV

Company reg. no. 39 28 05 74

Annual report

1 January - 31 December 2021

The annual report was submitted and approved by the general meeting on the 25 February 2022.

Jack Johannes Richard Nyberg
Chairman of the meeting

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Executive Board has approved the annual report of Pristine Properties ApS for the financial year 1 January - 31 December 2021.

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

We consider the chosen accounting policy to be appropriate, and 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 and the Company's operations as well as the consolidated cash flows for the financial year 1 January – 31 December 2021.

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

We recommend that the annual report be approved at the Annual General Meeting.

Aalborg SV, 25 February 2022

Executive board

Bo Erik Berggren

Jack Johannes Richard Nyberg

Independent auditor's report

To the Shareholders of Pristine Properties ApS

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Pristine Properties ApS for the financial year 1 January to 31 December 2021, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies, for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under 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 and the 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" section of our report. 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. 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 Consolidated Financial Statements and the Parent Company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 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 consolidated financial statements and the parent company 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 Company to cease to continue as a going concern.

Independent auditor's report

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company 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.

Statement on Management's Review
Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the consolidated financial statements and the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Aalborg, 25 February 2022

Redmark
Godkendt Revisionspartnerselskab
Company reg. no. 29 44 27 89

Alex Hoffmann Kristensen
State Authorised Public Accountant
mne33705

Company information

The company	Pristine Properties ApS Sofiendalsvej 88 9200 Aalborg SV	
	Company reg. no.	39 28 05 74
	Financial year:	1 January - 31 December
Executive board	Bo Erik Berggren Jack Johannes Richard Nyberg	
Auditors	Redmark Godkendt Revisionspartnerselskab Hasseris Bymidte 6 9000 Aalborg	
Parent company	Pristine WBN Estate Holding AB	
Subsidiaries	Pristine Invest I A/S, Aalborg Pristine Invest II ApS, Aalborg Pristine Invest III ApS, Aalborg	

Consolidated financial highlights

DKK in thousands.	2021	2020	2019	2018
Income statement:				
Gross profit	33.546	42.924	42.420	39.801
Profit from operating activities	3.900	58.111	71.650	137.907
Net financials	-5.770	-10.304	-15.974	-11.748
Net profit or loss for the year	-1.737	37.539	43.432	110.165
Statement of financial position:				
Balance sheet total	559.723	562.693	511.064	486.854
Investments in property, plant and equipment	20.042	27.338	0	471.325
Equity	152.634	166.499	142.676	110.215
Cash flows:				
Operating activities	20.616	43.967	23.242	34.527
Investing activities	-20.042	-27.338	781	-370.179
Financing activities	4.960	-8.981	-28.123	342.505
Total cash flows	5.534	7.648	-4.100	6.853
Key figures in %:				
Acid test ratio	37,2	37,4	28,0	34,4
Solvency ratio	27,3	29,6	27,9	22,6
Return on equity	-1,1	24,3	34,3	199,9

Calculations of key figures and ratios do, in all material respects, follow the recommendations of the Danish Association of Finance Analysts, only in a few respects deviating from the recommendations.

The key figures and ratios shown in the statement of financial highlights have been calculated as follows:

Acid test ratio $$\frac{\text{Current assets x 100}}{\text{Short term liabilities other than provisions}}$$

Solvency ratio $$\frac{\text{Equity, closing balance x 100}}{\text{Total assets, closing balance}}$$

Return on equity $$\frac{\text{Net profit or loss for the year x 100}}{\text{Average equity}}$$

Management´s review

The principal activities of the group

Like previous years, the activities of the group and of Pristine Properties ApS are investments and lease of properties.

Unusual circumstances

There are no unusual matters wich affects the financial statements as to recognition and measurement.

Development in activities and financial matters

The management consider the results of the parent company and group satisfactory. The result before tax and fair-value adjustments has developed in line with the expectations based on last years results before tax and fair-value adjustments.

Financial risks and the use of financial instruments

Interest rate risks

The group companies have no official policy for dealing with interest rate risk. The group companies uses derivatives to deal with certain risks.

Environmental issues

The group-acitivities has no effect on environmental matters.

Research and development activities

The group activities does not include research and development.

Expected developments

The expected development for the forthcoming financial year is the same level of activity and result of the investment properties before fair-value adjustments as the financial year 2021.

This will also be reflected in the financial statements for the parent company, because the principal activities consist of owning the shares in the group enterprises.

Branches abroad

There are no branches abroad.

Income statement 1 January - 31 December

All amounts in DKK.

		Group		Parent	
Note		2021	2020	2021	2020
	Gross profit	**33.546.196**	**42.923.620**	**-3.283.755**	**-1.251.028**
	Value adjustment of investment property	-29.646.433	15.187.125	0	0
	Operating profit	**3.899.763**	**58.110.745**	**-3.283.755**	**-1.251.028**
	Income from investments in subsidiaries	0	0	3.460.121	44.375.930
	Other financial income from subsidiaries	217.919	218.518	675.037	731.285
	Other financial income	-34.674	135.128	0	135.055
2	Other financial expenses	-5.953.586	-10.657.538	-4.054.242	-8.418.275
	Pre-tax net profit or loss	**-1.870.578**	**47.806.853**	**-3.202.839**	**35.572.967**
	Tax on net profit or loss for the year	133.422	-10.267.724	1.465.683	1.966.162
3	**Net profit or loss for the year**	**-1.737.156**	**37.539.129**	**-1.737.156**	**37.539.129**

Balance sheet at 31 December

All amounts in DKK.

Note	Assets	Group 2021	Group 2020	Parent 2021	Parent 2020
	Non-current assets				
4	Investment property	532.695.200	542.300.000	0	0
	Total property, plant, and equipment	532.695.200	542.300.000	0	0
5	Investments in subsidiaries	0	0	281.402.878	275.070.348
	Total investments	0	0	281.402.878	275.070.348
	Total non-current assets	**532.695.200**	**542.300.000**	**281.402.878**	**275.070.348**
	Current assets				
	Trade receivables	516.836	993.118	0	0
	Receivables from subsidiaries	10.152.941	8.962.065	32.118.621	38.461.497
	Income tax receivables	0	0	1.476.299	1.976.755
	Other receivables	282.666	2.524	0	0
6	Prepayments	166.770	33.965	0	0
	Total receivables	11.119.213	9.991.672	33.594.920	40.438.252
	Cash and cash equivalents	15.908.132	10.400.954	11.515	2.707.250
	Total current assets	**27.027.345**	**20.392.626**	**33.606.435**	**43.145.502**
	Total assets	**559.722.545**	**562.692.626**	**315.009.313**	**318.215.850**

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
	Equity				
	Contributed capital	50.000	50.000	50.000	50.000
	Reserve for net revaluation according to the equity method	0	0	156.034.160	149.701.631
	Reserve for hedging transactions	1.155.925	-1.716.482	0	0
	Retained earnings	151.428.237	153.165.393	-3.449.997	1.747.280
	Proposed dividend for the financial year	0	15.000.000	0	15.000.000
	Total equity	**152.634.162**	**166.498.911**	**152.634.163**	**166.498.911**
	Provisions				
7	Provisions for deferred tax	34.293.105	36.991.910	0	0
	Total provisions	**34.293.105**	**36.991.910**	**0**	**0**
	Long term labilities other than provisions				
	Mortgage loans	172.008.604	179.198.470	0	0
	Deposits	16.900.902	10.960.035	0	0
	Payables to subsidiaries	110.000.000	110.000.000	110.000.000	110.000.000
	Other payables	1.309.751	4.520.040	0	0
8	Total long term liabilities other than provisions	300.219.257	304.678.545	110.000.000	110.000.000

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities

Note		Group 2021	Group 2020	Parent 2021	Parent 2020
8	Current portion of long term liabilities	17.809.389	16.756.744	0	0
	Bank loans	13.547.787	24.413	13.547.787	0
	Prepayments received from customers	20.916	0	0	0
	Trade payables	1.236.938	166.500	463.375	77.500
	Payables to subsidiaries	25.026.382	27.541.379	30.196.007	39.164.310
	Income tax payable	3.401.396	1.282.325	0	0
	Other payables	11.533.213	8.751.899	8.167.981	2.475.129
	Total short term liabilities other than provisions	72.576.021	54.523.260	52.375.150	41.716.939
	Total liabilities other than provisions	**372.795.278**	**359.201.805**	**162.375.150**	**151.716.939**
	Total equity and liabilities	**559.722.545**	**562.692.626**	**315.009.313**	**318.215.850**

1 Disclosures on fair value

9 Charges and security

10 Contingencies

11 Related parties

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital not paid	Reserve for net revaluation according to the equity method	Reserve for hedging transactions	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2021	50.000	0	-1.716.482	153.165.393	15.000.000	166.498.911
Distributed dividend	0	0	0	0	-15.000.000	-15.000.000
Share of profit or loss	0	0	0	-1.737.156	0	-1.737.156
Fair value adjustments of hedging instruments for the year	0	0	2.872.407	0	0	2.872.407
	50.000	**0**	**1.155.925**	**151.428.237**	**0**	**152.634.162**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for net revalua-tion according to the eq-uity method	Reserve for hedging transactions	Retained earnings	Proposed dividend for the financial year	Total
Equity 1 January 2021	50.000	149.701.631	0	1.747.280	15.000.000	166.498.911
Distributed dividend	0	0	0	0	-15.000.000	-15.000.000
Share of profit or loss	0	3.460.121	0	-5.197.277	0	-1.737.156
Change in hedge instrument	0	2.872.408	0	0	0	2.872.408
	50.000	**156.034.160**	**0**	**-3.449.997**	**0**	**152.634.163**

Statement of cash flows 1 January - 31 December

All amounts in DKK.

Note		Group 2021	2020
	Net profit or loss for the year	-1.737.156	37.539.129
12	Adjustments	30.298.369	12.150.760
13	Change in working capital	230.129	7.332.501
	Cash flows from operating activities before net financials	28.791.342	57.022.390
	Interest received, etc.	217.923	353.573
	Interest paid, etc.	-5.961.396	-10.657.538
	Cash flows from ordinary activities	23.047.869	46.718.425
	Income tax paid	-2.431.770	-2.751.418
	Cash flows from operating activities	**20.616.099**	**43.967.007**
	Purchase of property, plant, and equipment	-20.041.633	-27.337.875
	Cash flows from investment activities	**-20.041.633**	**-27.337.875**
	Long-term payables incurred	26.826.662	17.131.029
	Repayments of long-term payables	-32.455.039	-15.433.785
	Dividend paid	-15.000.000	-12.000.000
	Changes in short-term bank loans	13.523.374	-2.407.673
	Other cash flows from financing activities	12.064.579	3.729.141
	Cash flows from investment activities	**4.959.576**	**-8.981.288**
	Change in cash and cash equivalents	**5.534.042**	**7.647.844**
	Cash and cash equivalents at 1 January 2021	10.400.954	2.753.037
	Foreign currency translation adjustments (cash and cash equivalents)	-26.864	73
	Cash and cash equivalents at 31 December 2021	**15.908.132**	**10.400.954**
	Cash and cash equivalents		
	Cash and cash equivalents	15.908.132	10.400.954
	Cash and cash equivalents at 31 December 2021	**15.908.132**	**10.400.954**

Notes

All amounts in DKK.

1. Disclosures on fair value

Group

	Investment property	Derived financial instruments
Fair value at 31 December 2021	532.695.200	-1.995.407
Change in fair value of the year recognised in the statement of financial activity	-29.646.433	0
Change in fair value of the year recognised in the equity	0	3.720.133

	Group		Parent	
	2021	2020	2021	2020
2. Other financial expenses				
Financial costs, group enterprises	3.000.641	7.687.248	3.766.592	8.267.241
Other financial costs	2.952.945	2.970.290	287.650	151.034
	5.953.586	**10.657.538**	**4.054.242**	**8.418.275**

	Parent	
	2021	2020
3. Proposed appropriation of net profit		
Reserves for net revaluation according to the equity method	3.460.121	19.375.930
Dividend for the financial year	0	15.000.000
Transferred to retained earnings	0	3.163.199
Allocated from retained earnings	-5.197.277	0
Total allocations and transfers	**-1.737.156**	**37.539.129**

Notes

All amounts in DKK.

		Group		Parent	
		31/12 2021	31/12 2020	31/12 2021	31/12 2020
4.	**Investment property**				
	Cost 1 January 2021	456.032.076	428.694.201	0	0
	Additions during the year	20.041.633	27.337.875	0	0
	Cost 31 December 2021	**476.073.709**	**456.032.076**	**0**	**0**
	Fair value adjustment 1 January 2021	86.267.924	71.080.799	0	0
	Adjustments to fair value for the year	-29.646.433	15.187.125	0	0
	Fair value adjustment 31 December 2021	**56.621.491**	**86.267.924**	**0**	**0**
	Carrying amount, 31 December 2021	**532.695.200**	**542.300.000**	**0**	**0**

The measurement of properties is made using a returnbased cash flow model based on expected future net cash flows over a period of 10 years. The fair value measurement is made on the basis of estimated rental income and expected operating costs, including scheduled maintenance. Cash flows beyond the 10th year (terminal value) is determined according to a netrent model based on the 10th year, but at average estimates as to vacant periods, improvement costs, major maintenance costs, and investments. Cash flows from each year and the value of the terminal year are discounted with the required rate of return determined for each individual property with addition of inflation.

Compared to the previous financial year, the methods of measurement remain unchanged.

The material, nonobservable inputs in relation to the calculation of the fair value are:

	2021	2020
Required rate of return in %	5,00 - 9,75	5,00 - 7,50

Sensitivity analysis:
The major factors in determining the fair value of the properties are the rates of return and rental income, respectively. A change in the rate of return of +0,50% will result in a fluctuation of m.DKK 15 in the fair value of the property. A change of -0,50% will result in a m.DKK 16 increase in the value.

Notes

All amounts in DKK.

4. Investment property (continued)

A decrease in the rental income of 10 percentage point would result in a decrease in the fair value of m.DKK 24. An increase of 10 percentage point would result in an increase of m.DKK 18 in the fair value.

	Group		Parent	
	31/12 2021	31/12 2020	31/12 2021	31/12 2020
5. Investments in subsidiaries				
Cost 1 January 2021	0	0	128.339.642	128.339.642
Cost 31 December 2021	**0**	**0**	**128.339.642**	**128.339.642**
Revaluations, opening balance 1 January 2021	0	0	146.730.707	129.071.258
Net profit or loss for the year before amortisation of goodwill	0	0	3.201.620	44.375.930
Dividend	0	0	0	-25.000.000
Changes in hedge instrument	0	0	3.130.909	-1.716.482
Revaluation 31 December 2021	**0**	**0**	**153.063.236**	**146.730.706**
Carrying amount, 31 December 2021	**0**	**0**	**281.402.878**	**275.070.348**

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	**Equity**	**Results for the year**	**Carrying amount, Pristine Properties ApS**
Pristine Invest I A/S, Aalborg	100 %	107.873.294	2.372.322	107.873.294
Pristine Invest II ApS, Aalborg	100 %	140.527.907	-2.190.522	140.527.906
Pristine Invest III ApS, Aalborg	100 %	33.001.678	3.278.322	33.001.678
		281.402.879	**3.460.122**	**281.402.878**

Notes

All amounts in DKK.

	Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
6. Prepayments				
Prepaid insurance	54.537	33.965	0	0
Prepaid lease	112.233	0	0	0
	166.770	**33.965**	**0**	**0**

	Group 31/12 2021	Group 31/12 2020	Parent 31/12 2021	Parent 31/12 2020
7. Provisions for deferred tax				
Provisions for deferred tax 1 January 2021	35.025.748	28.206.298	0	0
Deferred tax relating to the net profit or loss for the year	-732.643	8.785.612	0	0
	34.293.105	**36.991.910**	**0**	**0**

8. Long term labilities other than provisions

	Total payables 31 Dec 2021	**Current portion of long term payables**	**Long term payables 31 Dec 2021**	**Outstanding payables after 5 years**
Group				
Mortgage loans	189.132.337	17.123.733	172.008.604	95.605.949
Deposits	16.900.902	0	16.900.902	0
Payables to subsidiaries	110.000.000	0	110.000.000	0
Other payables	1.995.407	685.656	1.309.751	961.656
	318.028.646	**17.809.389**	**300.219.257**	**96.567.605**
Parent				
Payables to subsidiaries	110.000.000	0	110.000.000	0
	110.000.000	**0**	**110.000.000**	**0**

Notes

All amounts in DKK.

9. Charges and security

As collateral for bank loans in the group entities and in other entities related to the group, t.DKK 277.708 security has been granted on land and buildings representing a carrying amount of t.DKK 731.550 at 31 December 2021.

Parent company

As collateral for bank loans in group and other related entities t.DKK 2.169 security in shares in group entities. The shares represents a booked value of t.DKK 299.899 at 31 December 2021.

10. Contingencies

Contingent liabilities

Recourse guarantee commitments, parent company:

The company has guaranteed the bank loans of the group enterprises. On 31 December 2021, the total loans of the group enterprises totalled t.DKK 2.168 and guarantees are capped at t.DKK 21.501.

The company has guaranteed for mortgage loans of group enterprises. On 31 December 2021, the total mortgage loans of group compianes totals t.DKK 242.365.

Joint taxation

With Vingen Ejendomme ApS, company reg. no 32934862 as administration company, the company is subject to the Danish scheme of joint taxation and is proportionally liable for tax claims within the joint taxation scheme.

The company is proportionally liable for any obligations to withhold tax on interest, royalties, and dividends of the jointly taxed companies.

The liabilities amount to a maximum amount corresponding to the share of the company capital, which is owned directly or indirectly by the ultimate parent company.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financial statements of the administration company.

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

Notes

All amounts in DKK.

11. Related parties

Controlling interest

Pristine WBN Estate Holding AB, Björkhagsstien 6, 181 64 Lindigö, Sweden Majority shareholder

Transactions

The management considers all transaxtions with related parties as being based on market terms.

Consolidated financial statements

None of the company's parent companies present consolidated financial statements.

	Group	
	2021	2020
12. Adjustments		
Depreciation, amortisation, and impairment	29.646.433	-15.187.125
Other financial income	-183.245	-353.645
Other financial expenses	5.953.586	10.657.538
Tax on net profit or loss for the year	-133.422	10.267.724
Deferred tax	-4.984.983	7.107.496
Other adjustments	0	-341.228
	30.298.369	**12.150.760**
13. Change in working capital		
Change in receivables	-1.127.541	-995.642
Change in trade payables and other payables	1.357.670	8.328.143
	230.129	**7.332.501**

Accounting policies

The annual report for Pristine Properties ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class C enterprises (medium sized enterprises).

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

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

Accounting policies

Derivatives

At their initial recognition, derivatives are recognised at cost in the statement of financial position. Hereafter, they measured at fair value. Positive and negative fair values of derivatives are recognised under other receivables and payables, respectively.

Changes in the fair value of derived financial instruments classified as and meeting the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with changes in the fair value of the hedged asset or the hedged liability.

Changes in the fair value of derived financial instruments classified as hedging of future cash flows are recognised in other receivables or other payables, and in equity.

If the future transaction results in the recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or costs, amounts recognised in equity on a continuing basis are transferred to the income statement for the period in which the hedged item affected the income statement.

For derived financial statements that are no longer recognised as hedging instruments, changes in fair value are recognised in the income statement on a current basis.

The consolidated financial statements

The consolidated income statements comprise the parent company Pristine Properties ApS and those group enterprises of which Pristine Properties ApS directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies

The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' market value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

Accounting policies

Investments in associates are measured in the statement of financial position at the proportionate share of the enterprises' equity value i calculated in accordance with the parent company's accounting policies and with proportionate elimination of unrealised intercompany gains and losses. In the income statement, the proportional share of the associates' results is recognised after elimination of the proportional share of intercompany gains and losses.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Income statement

Gross profit
Gross profit comprises the revenue and external costs.

Lease income comprises income from the lease of property and from overhead costs collected and is recognised in the income statement for the period relating to the lease payment. Income from the heating account is recognised in the statement of financial position as a balance with lessees.

Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets.

Other external costs comprise costs incurred for administration etc.

Value adjustment of investment property
Value adjustment of investment property comprises value adjustments of properties at fair value and profit or loss from the disposal of properties.

Financial income and expenses
Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in subsidiaries
After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual subsidiaries are recognised in the income statement of the parent as a proportional share of the subsidiaries' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Investment property

At the initial recognition, investment property is measured at cost, comprising the cost of the property and directly associated costs, if any.

Hereafter, investments are measured individually on the basis of a return-based cash flow model based on expected future net cash flows over a period of 10 years. The required rate of return is determined by an external assessor. Fair value measurement is made on the basis of estimated lease income and expected operating costs, including scheduled maintenance. Compared to the previous financial year, the method of measurement remains unchanged.

Costs adding new or improved qualities to an investment property compared to its condition at the time of acquisition, thereby improving the future return on the property, are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognised in the income statement under the item ”Costs concerning investment property”.

Like other property, plant, and equipment except for land, investment property has a limited economic life. The impairment taking place concurrently with the ageing of the investment property is reflected in the continuing measurement of the investment property at fair value.

Value adjustments are recognised in the income statement under the item ”Value adjustments of property”.

Investments

Investments in subsidiaries

Investments in subsidiaries are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Accounting policies

Investments in subsidiaries are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method. Negative goodwill is recognised in the income statement at the time of acquisition of the equity investment. If the negative goodwill relates to contingent liabilities acquired, negative goodwill is not recognised until the contingent liabilities have been settled or lapsed.

Consolidated goodwill is amortised over its estimated useful life, which is determined on the basis of the management's experience with the individual business areas. Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 5-20 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterpriseswith a strong market position and a long-term earnings profile.

In relation to material assets and liabilities recognised in subsidiaries but are not represented in the parent, the following accounting policies have been applied.

Investment property:

- Investment properties are measured at estimated fair value. Consequently, depreciation does not takes place on a systematic basis. Fair value adjustment is recognised in the profit or loss of the group enterprise.

Liabilities other than provisions:

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

Investments in subsidiaries with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

To the extent the equity exceeds the cost, the net revaluation of equity investments in subsidiaries transferred to the reserve under equity for net revaluation according to the equity method. Dividends from subsidiaries expected to be adopted before the approval of this annual report are not subject to a limitation of the revaluation reserve. The reserve is adjusted by other equity movements in subsidiaries.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Accounting policies

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Share premium

Share premium comprises premium payments made in connection with the issue of shares. Costs incurred for carrying through an issue are deducted from the premium.

The premium reserve can be used for dividend, for issuing bonus shares, and for covering losses.

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries, associates and equity interests proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Reserve for hedging transactions

The reserve for hedging transactions arises when hedging instruments are subject to fair value adjustments.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Dividend

Dividend expected to be distributed for the year is recognised as a separate item under equity.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Accounting policies

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Income tax receivable” or “Income tax payable”.

According to the rules of joint taxation, Pristine Properties ApS is proportionally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Mortgage loans and bank loans are thus measured at amortised cost which, for cash loans, corresponds to the outstanding payables. For bond loans, the amortised cost corresponds to an outstanding payable calculated as the underlying cash value at the date of borrowing, adjusted by amortisation of the market value on the date of the borrowing effectuated over the repayment period.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Accruals and deferred income

Payments received concerning future income are recognised under accruals and deferred income.

Statement of cash flows

The cash flow statement shows the cash flows for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and cash and cash equivalents at the beginning and the end of the year, respectively.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid. Dividend income from equity investments are recognised under “Interest income and dividend received”.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the acquisition and sale of enterprises and activities as well as the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and shortterm financial instruments with a term of less than 3 months, which can easily be converted into cash and cash equivalents and are associated with an insignificant risk of value change.