

S 26 ApS

C/O Citco (Denmark) ApS
Nybrogade 12,
1203 København K

CVR No. 39357720

Annual Report 2022

5. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 22 May 2023

Ole Meier Sørensen
Chairman

Contents

Management's Statement	3
Independent Auditors' Report	4
Company Information	6
Management's Review	7
Accounting Policies	8
Income Statement	12
Balance Sheet	13
Statement of changes in Equity	15
Notes	16

Management's Statement

Today, Management has considered and adopted the Annual Report of S 26 ApS for the financial year 1 January 2022 - 31 December 2022.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

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

Copenhagen, 22 May 2023

Executive Board

Ole Meier Sørensen
CEO

Caspar Schultz
CEO

Independent Auditors' Report

To the shareholders of S 26 ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the Company's financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of S 26 ApS for the financial year 1 January 2022 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("financial statements").

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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 Company's internal control.

Independent Auditors' Report

- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- * Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Copenhagen, 22 May 2023

PRICEWATERHOUSECOOPERS STATS AUTORISERET
REVISIONSPARTNERSELSKAB
CVR-no. 33771231

Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
mne32198

S 26 ApS

Company details

Company	S 26 ApS C/O Citco (Denmark) ApS Nybrogade 12, 1203 København K
CVR No.	39357720
Date of formation	22 February 2018
Registered office	København
Financial year	1 January 2022 - 31 December 2022
Executive Board	Ole Meier Sørensen Caspar Schultz
Auditors	PRICEWATERHOUSECOOPERS STATS-AUTORISERET REVISIONSPARTNERSELSKAB Strandvejen 44 2900 Hellerup CVR-no.: 33771231

Management's Review

The Company's principal activities

The Company's principal activities consist in a business with real estate and other business that is connected to this.

Development in the activities and the financial situation of the Company

The Company's Income Statement of the financial year 1 January 2022 - 31 December 2022 shows a result of DKK 3.824.439 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 97.114.035 and an equity of DKK 30.201.657.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially.

Accounting Policies

Reporting Class

The annual report of S 26 ApS for 2022 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner. All other currencies are considered foreign currencies.

Translation policies

During the year, transactions in foreign currencies have been translated applying the exchange rate at the transaction date. If currency positions are considered hedge of future cash flows, the value adjustments are recognised directly in equity.

Receivables and debt denominated in foreign currencies have been recognised at the exchange rate of the balance sheet date.

Realised and unrealised exchange gains and losses have been recognised in the income statement under other financial income and expenses.

General information

Basis of recognition and measurement

The income is recognised in the income statement as earned. Further to this, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Furthermore, all costs incurred to earn the profit or loss for year have been recognised in the income statement, including amortisation, depreciation, write-down and provisions as well as reversals as a consequence of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow into the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each financial statement item.

Certain financial assets and liabilities are measured at amortised cost, by which a constant redemption yield is recognised over the term. Amortised cost is calculated as original cost less instalments and addition/deduction of the accumulated amortisation of the difference between cost and the nominal amount. Thereby, capital and exchange losses or gains are allocated over the term.

On recognition and measurement, anticipated losses and risks that appear before presentation of the annual report and which confirm or invalidate affairs or conditions existing at the balance sheet date are considered.

Accounting Policies

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit/loss includes revenue, change in inventories of finished goods, cost of raw materials and consumables as well as external expenses.

Revenue

Rental income comprises income from the lease of property etc., and it is recognised in the profit and loss account for the period relating to the lease payment.

Other external expenses

External expenses include expenses related to operating costs, administration as well as fees to advisors and consultants.

Fair value adjustment of investment assets and debts

Value adjustments of investment properties include fair value adjustments of investment properties. Changes in the estimated fair value are entered in the income statement.

Financial income and expenses

Financial income and expenses is recognised with amounts concerning the financial year. Financial items comprise interest, realised and unrealised exchange gains and losses, amortisation of debt to mortgage credit institutions as well as interest surcharge and interest reimbursements under the Danish Tax Prepayment Scheme.

Tax on net profit for the year

Tax on profit or loss for the year represents 22% of the book profit or loss adjusted for non-taxable and nondeductible items.

Tax on profit or loss for the year consists of the anticipated tax portion of the taxable income for the year adjusted for the changes for the year in deferred tax. Changes in deferred taxes due to adjustments of tax rates is recognised in the income statement.

The Company is jointly taxed with other Danish group enterprises with SF 7 ApS as management company. The tax effect of the joint taxation is allocated among the group enterprises in ratio to their taxable income according to the rules on full allocation with a refund for tax losses of the Danish Corporation Tax Act.

Corporation tax relating to the financial year which has not been settled at the balance sheet date is to be classified as corporation tax in receivables or liabilities other than provisions.

Joint tax contributions between the jointly taxed companies which have not been settled at the balance sheet date are classified as joint tax contributions in receivables or liabilities.

The Company is subject to the Danish Tax Prepayment Scheme. Interest reimbursement and interest surcharge have been recognised in financial income and expenses.

Accounting Policies

Balance sheet

Investment property

Investment properties include properties held for the purpose of obtaining a return on invested capital as well as any capital gain on resale. Investment properties are recognized in the balance sheet when all significant benefits and risks have been transferred to the company.

Investment properties is on initial recognition measured at cost, which includes the purchase price plus directly related costs.

Costs incurred that add new or improved properties to the investment properties in relation to the time of acquisition and which thereby improve the properties' future returns, including conversions, are also added to the cost price as an improvement.

Investment properties are subsequently measured at estimated fair value calculated on the basis of the property's net return and a return percentage based on an individual assessment of the individual type of property.

As a result of the properties being valued at the estimate of the fair value, no depreciation is made on these.

The changes in the estimated fair value are entered in the income statement under fair value adjustment of investment properties.

Gains or losses on sale or disposal are included in the income statement under fair value adjustment of investment properties, and constitute the difference between the net sales price less the carrying amount (fair value) on the most recent balance sheet date before the sale of the property.

Receivables

Receivables are measured at amortised cost which usually corresponds to nominal value. The value is reduced by write-down for bad debt according to an individual assessment.

Accrued income, assets

Prepayments comprise costs incurred relating to subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Dividends

Proposed dividend for the year are recognised as a separate item under equity. Proposed dividends are recognised as a liability when approved by the Annual General Meeting.

Deferred tax

Deferred tax is measured according to the liability method. Provision has been made for deferred tax by 22 % on all temporary differences between carrying amount and tax-based value of assets and liabilities.

Deferred tax is also measures with respect of the planned use of the asset and the settlement of the liability. The tax value of the tax losses to be carried forward are included in the calculation of deferred taxes if it is probable that the losses can be used.

The tax-based values of tax losses carried forward are included in the statement of deferred tax if it is probable that the losses can be utilised.

Accounting Policies

Liabilities

Financial liabilities are recognized when raising the loan at the proceeds received after deduction of borrowing costs, directly addressed by the loan. In subsequent periods, financial liabilities are measured at amortized cost equal to the capitalized value using the effective interest rate, so the difference between the proceeds and the nominal value is recognized in the income statement over the loan period.

Mortgage debt hence is measured at amortized cost, which for cashloans equal the outstanding debt. For bondloans amortized cost corresponds to the outstanding debt, calculated as the loan's underlying cash value at the date of obtaining the loan regulated with a loan value adjustments based on an amortization, over the amortization period.

Financial liabilities also include the capitalized residual obligation on finance leases.

Other payables

Other liabilities other than provisions have been measured at amortised cost which corresponds to nominal value.

Accruals and deferred income entered as liabilities

Deferred income comprises income received relating to subsequent years.

Income Statement

	Note	2022 kr.	2021 kr.
Gross profit		3.770.519	3.609.754
Value adjustments of investment assets		2.100.000	3.300.000
Profit from ordinary operating activities		5.870.519	6.909.754
Finance expenses	1	-909.741	-889.444
Profit from ordinary activities before tax		4.960.778	6.020.310
Tax expense on ordinary activities	2	-1.136.339	-1.324.476
Profit		3.824.439	4.695.834
Proposed distribution of results			
Retained earnings		3.824.439	4.695.834
Distribution of profit		3.824.439	4.695.834

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Assets			
Investment property	3	85.500.000	83.400.000
Property, plant and equipment		85.500.000	83.400.000
Fixed assets		85.500.000	83.400.000
Other short-term receivables		1.855.061	4.501
Deferred income		34.066	7.377
Receivables		1.889.127	11.878
Cash and cash equivalents		9.724.908	10.537.047
Current assets		11.614.035	10.548.925
Assets		97.114.035	93.948.925

Balance Sheet as of 31 December

	Note	2022 kr.	2021 kr.
Liabilities and equity			
Contributed capital		14.550.000	14.550.000
Retained earnings		15.651.657	11.827.218
Equity		30.201.657	26.377.218
Provisions for deferred tax		2.533.227	2.079.482
Provisions		2.533.227	2.079.482
Mortgage debt		0	23.324.195
Payables to group enterprises		37.717.418	36.478.493
Deposits, liabilities other than provisions		2.309.660	2.265.148
Long-term liabilities other than provisions	4	40.027.078	62.067.836
Mortgage debt		23.361.719	0
Trade payables		127.228	653.112
Tax payables to group enterprises		682.594	606.731
Other payables		180.532	1.197.209
Deferred income, liabilities		0	967.337
Short-term liabilities other than provisions		24.352.073	3.424.389
Liabilities other than provisions within the business		64.379.151	65.492.225
Liabilities and equity		97.114.035	93.948.925
Contingent liabilities	5		
Collaterals and assets pledges as security	6		
Related parties	7		

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2022	14.550.000	11.827.218	26.377.218
Profit (loss)	0	3.824.439	3.824.439
Equity 31 December 2022	14.550.000	15.651.657	30.201.657

The share capital has remained unchanged for the last 4 years.

Notes

	2022 kr.	2021 kr.
1. Finance expenses		
Finance expenses arising from group enterprises	632.197	632.197
Other finance expenses	277.544	257.247
	909.741	889.444
2. Tax expense		
Current tax expense	682.594	606.731
Adjustments for deferred tax	453.745	717.745
	1.136.339	1.324.476
3. Investment property		
Cost at the beginning of the year	73.810.810	73.810.810
Cost at the end of the year	73.810.810	73.810.810
Fair value adjustments at the beginning of the year	9.589.190	6.289.190
Adjustments for the year	2.100.000	3.300.000
Fair value adjustments at the end of the year	11.689.190	9.589.190
Carrying amount at the end of the year	85.500.000	83.400.000

The company's tangible fixed assets consist of commercial properties of a total of 4.139 m². The investment property is due to the description of accounting policies, measured at fair value using the DCF model.

The value of the investment property is set at fair value on the basis of a "discounted cash flow" valuation model. The fair value is calculated on the basis of the discounted value of cash flows assuming a price adjustment of income, costs and an inflation of 2%. A weighted return requirement of 5,50% (5,15% in 2021) has been used for the valuation. A change of -0,25% points in return requirement means approx. DKK 4,07 million in changed market value and a change of +0,25% point in return requirement means approx. -3,72 million DKK in changed market value.

In addition, the following significant assumptions have been used in the fair value measurement:

- In the terminal year, it is assumed that costs, maintenance, etc. corresponds to an average of a 10-year-old budget period.

The investment property is valued on the basis of a valuation from an independent commercial broker.

Notes**4. Long-term liabilities**

	Due within 1 year kr.	Due within 2-5 year kr.	Due after 5 years kr.
Payables to group enterprises	0	0	37.717.418
Deposits	0	0	2.309.660
	0	0	40.027.078

5. Contingent liabilities

The company is jointly taxed with other group companies and is jointly liable with the other group companies for payable and unsettled corporation and withholding taxes. The total amount for payable corporate tax is shown in the annual report for SF 7 ApS. Any subsequent corrections to the corporate tax and withholding taxes can lead to a higher liability for the Company.

6. Disclosure of collaterals and assets pledges as security

Mortgage registered to the mortgagor, nom. kr. 23,925,000, in the company's land and buildings with a balance sheet value of DKK 85,500,000 has been deposited as security for commitment with the credit institution.

7. Related parties

The company is included in the consolidated report for the parent company AP Nordic Investment II S.à.r.l.

The consolidated report for AP Nordic Investment II S.à.r.l. can be requested at the following address:

560A Rue de Neudorf
L-2220 Luxembourg