

AEW Kastrup ApS

CVR no. 39537826

**c/o TMF Denmark A/S
H.C. Andersens Boulevard 38, 3. th
1553 Copenhagen V, Denmark**

**Annual report
for the period ended 31 December 2021**

**Adopted at the Company's Annual General Meeting
on 23 June 2022**



Chairman Dorthe Christine Hvidkjaer

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Management's Statement on the Annual Report

The Executive Boards have today considered and adopted the Annual Report for the period 1 January 2021 - 31 December 2021 of AEW Kastrup ApS

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

In our opinion, the Financial Statements give a true and fair view of the financial position at 31 December 2021 of the Company and of the results of the Company's operations for the period 1 January 2021 - 31 December 2021.

The Management Report contains, in our opinion a true account of the circumstances under review.

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

Copenhagen, 23 June 2022

Executive Board



Jochem van Rijn
Director



Dannie Wai
Director

Independent Auditors' Report

To the Shareholders of AEW Kastrup ApS

Opinion

We have audited the Financial Statements of AEW Kastrup ApS for the financial year 1 January - 31 December 2021, which comprise income statement, balance sheet, notes and a summary of significant accounting policies. The Financial Statements are prepared under the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2021, and of the results of the Company operations 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 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 (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional 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.
- 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.

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Independent Auditors' Report

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 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 Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether 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 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 Statements Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 23 June 2022

BDO Statsautoriseret revisionsaktieselskab
CVR No. 20 22 26 70



Martin Anders Dahl Jensen
State Authorised Public Accountant
mne34294

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Company Information

Company: AEW Kastrup ApS

Registered address: c/o TMF Denmark A/S
H.C. Andersens Boulevard 38, 3. th
1553 Copenhagen V, Denmark

CVR no: 39537826

Financial period: 1 January – 31 December 2021

Executive Board: Jochem van Rijn, director
Dannie Wai, director

Auditor: BDO
Statsautoriseret Revisionsaktieselskab
Havneholmen 29
1561 Copenhagen V

Management Review

Business review

The company operates as a so-called real estate company under the German Capital Investment Act (Kapitalanlagegesetzbuch); compliance with investment restrictions under the KAGB. Therefore, the purpose of the company is limited to the activities that AEW Invest GmbH is authorized to carry out on behalf of the SOKA-BAU European Fund (Fund) in accordance with the Fund's general and special contract terms (Fund terms). The purpose of the company is therefore to a) directly acquire, own, administer, manage and divest (i) residential properties for rent, commercial properties and combined residential and rental properties; (ii) residential properties for rental, commercial properties and combined residential and rental properties under development; (iii) undeveloped land calculated and suitable for own development of residential properties for rent, commercial properties and combined residential and rental properties; (iv) hereditary building rights to properties, as specified in p. (i) to (iii); (v) other properties, hereditary building rights and rights in the form of ownership of residential properties, partial ownership, building rights for hereditary residential properties or part of hereditary building rights (collectively referred to as Real Estate). (b) acquire, own, administer, manage and dispose of interests and participation in Danish or foreign companies whose purpose according to their statutes are to: (i) acquire, own, administer, administer and dispose of Real Estate (and Real Estate Companies) and / or to (ii) acquire, own, administer, manage and dispose of interests and participation in Danish and foreign Real Estate Companies.

In addition, the company is within the scope of its purpose is justified in the alternative by taking the following actions:

(a) to acquire, own and dispose of any asset necessary for the management of Real Estate Assets above;

(b) without prejudice to any restrictions stated in the fund conditions, the company may for the purpose of liquidity management invest in the following liquid instruments: - Bank deposits; - Money market instruments; - Securities raised by the European Central Bank or the German Central Bank as security for operating credits, cf. pkt. 18.1 of the Protocol on the Statute of the European System of central banks and the European Central Bank, or to be applied for admission of at the time of issue if the permit is granted within one year after their issue and which meet a minimum rating of BBB (Standard & Poor's) or Baa (Moody's) or higher function (investment ratings); and Financial Instruments to which AEW Invest GmbH is entitled invest in at the expense of the fund.

Uncertainty relating to recognition and measurement

Recognition and measurement in the Financial Statements have not been subject to any uncertainty.

Development in the year

The income statement of the Company for the period 1 January 2021 - 31 December 2021 shows a profit of DKK 116,371,540 and the balance sheet of the Company at 31 December 2021 shows a balance sheet total of DKK 655,148,485 and equity of DKK 242,175,957.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

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Income Statement

	Notes	<u>12/31/2021</u> DKK	<u>12/31/2020</u> DKK
Gross profit		<u>5,538,957</u>	<u>19,514,147</u>
Fair value adjustments of other investment assets		159,500,000	51,599,584
Financial expenses	2	<u>(12,470,941)</u>	<u>(15,510,706)</u>
Profit/loss before tax		152,568,016	55,603,025
Tax on profit/loss for the year	3	(36,196,476)	(12,233,246)
Net profit/loss for the year		<u>116,371,540</u>	<u>43,369,779</u>
Distribution of profit			
Profit/loss for the year		116,371,540	43,369,779
Proposed dividends for the financial year		-	-
Retained earnings		<u>116,371,540</u>	<u>43,369,779</u>

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Income Statement

	Notes	As at	
		12/31/2021 DKK	12/31/2020 DKK
Assets			
Non-current assets			
Buildings	4	635,100,000	475,600,000
Work in progress		1,191,460	-
Tangible assets		636,291,460	475,600,000
Total non-current assets		636,291,460	475,600,000
Current assets			
Trade receivables		-	673,104
Receivables from group enterprises		9,233	-
Other receivables		-	1,705,308
Prepayment		7,676,531	1,266,185
Deferred income		8,208	-
Receivables		7,693,972	3,644,597
Cash		11,163,053	9,887,352
Total current assets		18,857,025	13,531,949
Total Assets		655,148,485	489,131,949
Equity and liabilities			
Equity			
Share capital		1,050,100	1,050,100
Reserve for current value adjustments of currency gains		-	416,000
Retained earnings		241,125,857	214,001,344
Total equity		242,175,957	215,467,444
Provision for deferred tax		78,589,550	42,279,454
Total provisions		78,589,550	42,279,454
Liabilities			
Non-current liabilities			
Bank loan		314,809,355	120,966,330
Payables to group companies		8,449,498	99,570,308
Total non-current liabilities	5	323,258,853	220,536,638
Current liabilities			
Trade payables		6,789,092	2,468,467
Other payables		2,004,681	4,102,866
Short-term part of long term-debet		-	2,011,187
Deposits		2,330,353	2,265,893
Total current liabilities		11,124,127	10,848,413
Total liabilities		334,382,979	231,385,051
Total Equity and Liabilities		655,148,485	489,131,949
Contingent liabilities	6		
Mortgages and collateral	7		
Related parties and ownership	8		

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Statement of changes in Equity

Amounts in DKK

Equity

	Share capital	Reserve for current value adjustments for currency gains	Retained earnings	Total equity
Equity at 1 January 2021	1,050,100	416,000	214,001,344	215,467,444
Net profit/loss for the year	-	-	116,371,540	116,371,540
Adjustment related to the FY2020	-	-	402,833	402,833
Extraordinary dividend for the period	-	-	(90,000,000)	(90,000,000)
Unrealized currency exchange difference	-	-	(65,860)	(65,860)
Other equity movements (SWAP)	-	(416,000)	416,000	-
Equity at 31 December 2021	<u>1,050,100</u>	<u>-</u>	<u>241,125,857</u>	<u>242,175,957</u>

Notes to the Financial Statements

1 Staff	2021 DKK	2020 DKK
Average number of employees	-	-
	<u>-</u>	<u>-</u>
2 Financial expenses	2021 DKK	2020 DKK
Foreign exchange loss	(72,937)	(858)
Financial expenses, group entities	(6,095,673)	(11,906,373)
Loan expenses	(1,982,917)	-
Other financial costs	(4,319,414)	(3,603,475)
	<u>(12,470,941)</u>	<u>(15,510,706)</u>
3 Tax on profit/loss for the year	2021 DKK	2020 DKK
Deferred tax regulation for the period	(36,196,476)	(12,233,246)
	<u>(36,196,476)</u>	<u>(12,233,246)</u>
4 Tangible assets	2021 DKK	2020 DKK
Cost at beginning of year	291,774,541	291,774,541
Additions for the period	-	-
Disposals for the period	-	-
	<u>291,774,541</u>	<u>291,774,541</u>
Revaluations at beginning of the year	183,825,459	132,225,875
Revaluations for the period	159,500,000	51,599,584
	<u>343,325,459</u>	<u>183,825,459</u>
Carrying amount at 31 December	<u>635,100,000</u>	<u>475,600,000</u>

The property is located in Kastrup, and mainly consist of commercial leases within logistics.

The valuation is based on the German valuation methodology combining the 'tangible asset value method' and the 'income capitalization method' considering a discount rate of 3,35% including inflation, a yearly net cash flow of aprox. 29,5mDKK and an occupancy rate of aprox. 90%. The valuation take into account the current maintenance standard of the property. The valuation include building rights of aprox. 5,000 sqm measured to 37.6mDKK.

Notes to the Financial Statements

5 Long-term debt

	<u>Debt at 1 January 2021</u>	<u>Debt at 31 December 2021</u>	<u>Instalment next year</u>	<u>Debt outstanding after 5 years</u>
Banks	122,977,517	314,809,355	-	-
Payables to group companies	99,570,308	8,449,498	-	-
	<u>222,547,825</u>	<u>323,258,853</u>	<u>-</u>	<u>-</u>

6 Contingent liabilities

The company has an obligation regarding ground lease of TDKK 6.348 (2020: TDKK 5.728).

7 Mortgages and collateral

Bank debt is secured by mortgages in properties amounting to TDKK 317.500 (2020:TDKK 290.000).

The carrying amount of mortgaged properties is TDKK 635.100 (2020: TDKK 475.600).

8 Related parties and ownership

AEW Invest GmbH, Steinstrasse 1-3, 40212 Düsseldorf, Germany

Ownership interest: 100%

Voting rights: 100%

9 Accounting Policies

The Annual report of AEW Kastrup ApS for the period 1 Januar 2021 - 31 December 2021 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, as well as provisions applying to reporting class C entities.

The annual report for 2021 is presented in DKK.

The accounting policies applied are consistent with those of last year.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. If expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

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

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

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Value adjustments of investment properties

Value adjustments of investment property comprise the year's changes in the fair value of investment property.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, 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.

9 Accounting Policies

Balance sheet

Tangible assets

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income. Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

On acquisition investment properties are measured at cost comprising the acquisition price and cost of acquisition.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement. The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such differences may be material.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

Deferred tax is measured at net realisable value. Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Liabilities

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.