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# ***Metropol PropCo ApS***

C/O DEAS A/S 901-201, Skibbrogade 3, DK-9000  
Aalborg

## **Annual Report for 6 July - 31 December 2022**

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CVR No 43 38 00 52

The Annual Report was  
presented and adopted at  
the Annual General  
Meeting of the Company on  
07/06 2023

Peter Back  
Chairman of the General  
Meeting



**pwc**

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## **Management's Statement**

The Executive Board has today considered and adopted the Annual Report of Metropol PropCo ApS for the financial year 6 July - 31 December 2022.

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

In my opinion the Financial Statements give a true and fair view of the financial position at 31 December 2022 of the Company and of the results of the Company operations for 2022.

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

Copenhagen, 7 June 2023

### **Executive Board**

Peter Back  
Executive Officer

# Independent Auditor's Report

To the Shareholder of Metropol PropCo ApS

## Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company's operations for the financial year 6 July - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Metropol PropCo ApS for the financial year 6 July - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

## 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 (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 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 judgement and maintain professional scepticism throughout the

# Independent Auditor's Report

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.

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.

Hellerup, 7 June 2023

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jacob F Christiansen  
statsautoriseret revisor  
mne18628

Sune Christensen Bjerre  
statsautoriseret revisor  
mne47832

## **Company Information**

### **The Company**

Metropol PropCo ApS  
C/O DEAS A/S 901-201  
Skibbrogade 3  
DK-9000 Aalborg

CVR No: 43 38 00 52  
Financial period: 6 July - 31 December  
Municipality of reg. office: Aalborg

### **Executive Board**

Peter Back

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
DK-2900 Hellerup

## Income Statement 6 July - 31 December

	<u>Note</u>	<u>2022</u> DKK
<b>Gross profit/loss before value adjustments</b>		<b>-1.880.726</b>
Value adjustments of investment assets and the financial liabilities involved		<u>0</u>
<b>Gross profit/loss after value adjustments</b>		<b>-1.880.726</b>
Financial expenses	3	<u>-6.455.482</u>
<b>Profit/loss before tax</b>		<b>-8.336.208</b>
Tax on profit/loss for the year	4	<u>1.833.966</u>
<b>Net profit/loss for the year</b>		<b><u>-6.502.242</u></b>

## Distribution of profit

### Proposed distribution of profit

Retained earnings		<u>-6.502.242</u>
		<b><u>-6.502.242</u></b>

# Balance Sheet 31 December

## Assets

	<u>Note</u>	<u>2022</u> DKK
Investment properties		328.396.449
<b>Property, plant and equipment</b>	5	<b><u>328.396.449</u></b>
<b>Fixed assets</b>		<b><u>328.396.449</u></b>
Other receivables		3.178.164
Deferred tax asset		1.833.966
<b>Receivables</b>		<b><u>5.012.130</u></b>
<b>Cash at bank and in hand</b>		<b><u>58.811.057</u></b>
<b>Currents assets</b>		<b><u>63.823.187</u></b>
<b>Assets</b>		<b><u>392.219.636</u></b>



# Balance Sheet 31 December

## Liabilities and equity

	<u>Note</u>	<u>2022</u> DKK
Share capital		40.000
Share premium account		80.698.676
Retained earnings		-6.502.242
<b>Equity</b>		<b><u>74.236.434</u></b>
Payables to group enterprises		82.797.449
<b>Long-term debt</b>	<b>6</b>	<b><u>82.797.449</u></b>
Mortgage loans		232.276.534
Trade payables		2.800.664
Deposits		11.892
Other payables		96.663
<b>Short-term debt</b>		<b><u>235.185.753</u></b>
<b>Debt</b>		<b><u>317.983.202</u></b>
<b>Liabilities and equity</b>		<b><u>392.219.636</u></b>
Going Concern	1	
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## Statement of Changes in Equity

	Share capital DKK	Share premium account DKK	Retained earnings DKK	Total DKK
Equity at 6 July	40.000	0	0	40.000
Capital contribution at 26 August	0	80.698.676	0	80.698.676
Adjusted equity at 26 August	40.000	80.698.676	0	80.738.676
Net profit/loss for the year	0	0	-6.502.242	-6.502.242
<b>Equity at 31 December</b>	<b>40.000</b>	<b>80.698.676</b>	<b>-6.502.242</b>	<b>74.236.434</b>

# Notes to the Financial Statements

## 1 Going Concern

Management is aware that loan covenants probably will be breached in Q3 2023 based on the current budget. Management do not know the implications of the covenant breach, but expect to finance the Company going forward by either additional loans or capital increases. The value of the property amounts to DKK 328 million, which exceeds the debt to the external loan provider of DKK 232 million, significantly. Management is following the development closely and considers the going concern criterias to be fulfilled.

## 2 Key activities

The purpose of the Company is investment, owner-ship, administration, development and sale of properties and any business related hereto.

## 3 Financial expenses

	<u>2022</u> DKK
Interest, Nordic Property Financing K/S	3.426.679
Interest, Intercompany	1.996.125
Other interest	26.042
Amortisation of mortgage loan (borrowing expenses)	<u>1.006.636</u>
	<b><u>6.455.482</u></b>

## 4 Tax on profit/loss for the year

Current tax for the year	0
Deferred tax for the year	<u>-1.833.966</u>
	<b><u>-1.833.966</u></b>

# Notes to the Financial Statements

## 5 Assets measured at fair value

	Investment pro- perties <hr/> DKK
Cost at 15 September	320.802.540
Additions for the year	<hr/> 7.593.909
Cost at 31 December	<hr/> 328.396.449
<b>Carrying amount at 31 December</b>	<b><hr/>328.396.449</b>

### Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods (DCF calculations) based on management's expectations for future cash flow, required rate of return etc.

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 difference may be material.

The company has acquired the asset in an asset deal on September 15th, 2022. The asset deal was between 2 independent parties and therefore we consider the cost price to be market price. No significant changes other than planned additions after the transaction.

# Notes to the Financial Statements

## 6 Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	<u>2022</u> DKK
<b>Payables to group enterprises</b>	
Between 1 and 5 years	82.797.449
Long-term part	82.797.449
Within 1 year	0
	<u><b>82.797.449</b></u>

## 7 Contingent assets, liabilities and other financial obligations

### Charges and security

The following assets have been placed as security with mortgage credit institutes:

Mortgage deeds registered to the mortgagor totaling DKK 265.000.000 providing security on land and buildings with a carrying amount	328.396.449
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# Notes to the Financial Statements

## 8 Accounting Policies

The Annual Report of Metropol PropCo ApS for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2022 are presented in DKK.

### Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

### Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement.

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Income Statement

#### Revenue

Services are recognised at the rate of completion of the service to which the contract relates by using the percentage-of-completion method, which means that revenue equals the selling price of the service completed for the year. This method is applied when total revenues and expenses in respect of the service and the stage of completion at the balance sheet date can be measured reliably, and it is probable that the economic benefits, including payments, will flow to the Company. The stage of completion is determined on the basis of the ratio between the expenses incurred and the total expected expenses of the service.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

#### Expenses concerning investment properties

Expenses concerning investment properties primarily include operating expenses for the year.

#### Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

#### Gross profit/loss after value adjustments

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses concerning investment properties and other external expenses.

#### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

#### Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Balance Sheet

#### Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed investment properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

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.

The valuation is not based on the statement from an external assessor.

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 difference may be material. The assumptions applied are disclosed in the notes.

#### *Discounted Cash Flow model*

The fair value of investment properties has been determined at 31 December 2022 for each property by using a Discounted Cash Flow model under which expected future cash flows are discounted to present value. The calculations are based on property budgets for the coming years. Allowance has been made for developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The individual, budgeted cash flows are discounted at an individually fixed discount rate added a terminal value. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.



# Notes to the Financial Statements

## 8 Accounting Policies (continued)

### Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

### Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

### Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

### Financial debts

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.