
Metropol PropCo ApS

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

Annual Report for 2023

CVR No. 43 38 00 52

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 14/6 2024

Peter Back
Executive Officer



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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 1 January - 31 December 2023.

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 2023 of the Company and of the results of the Company operations for 2023.

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

Copenhagen, 14 June 2024

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 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Metropol PropCo ApS for the financial year 1 January - 31 December 2023, 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 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 Auditor's 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.

Hellerup, 14 June 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Jacob F Christiansen
State Authorised Public Accountant
mne18628

Sune Christensen Bjerre
State Authorised Public Accountant
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: 1 January - 31 December

Municipality of reg. office: Aalborg

Executive Board

Peter Back

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income statement 1 January - 31 December

	Note	2023	2022
		DKK 12 months	DKK 6 months
Gross loss before value adjustments		-10,302,076	-1,880,726
Value adjustments of assets held for investment		-14,523,473	0
Gross loss after value adjustments		-24,825,549	-1,880,726
Depreciation and impairment losses of property, plant and equipment	3	-100,315	0
Profit/loss before financial income and expenses		-24,925,864	-1,880,726
Financial income	4	138,281	0
Financial expenses	5	-28,396,558	-6,455,482
Profit/loss before tax		-53,184,141	-8,336,208
Tax on profit/loss for the year	6	-1,833,966	1,833,966
Net profit/loss for the year		-55,018,107	-6,502,242
Distribution of profit			
		2023	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-55,018,107	-6,502,242
		-55,018,107	-6,502,242

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Investment properties	7	347,000,000	328,396,449
Other fixtures and fittings, tools and equipment	8	1,466,666	0
Property, plant and equipment		348,466,666	328,396,449
Fixed assets		348,466,666	328,396,449
Other receivables	9	6,758,462	3,178,164
Deferred tax asset		0	1,833,966
Receivables		6,758,462	5,012,130
Cash at bank and in hand		20,414,157	58,811,057
Current assets		27,172,619	63,823,187
Assets		375,639,285	392,219,636

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		40,000	40,000
Share premium account		0	80,698,676
Retained earnings		19,178,327	-6,502,242
Equity		19,218,327	74,236,434
Payables to group enterprises		113,681,016	82,797,449
Long-term debt	10	113,681,016	82,797,449
Mortgage loans		235,373,571	232,276,534
Trade payables		5,818,176	2,800,664
Deposits		1,421,343	11,892
Other payables	9	126,852	96,663
Short-term debt		242,739,942	235,185,753
Debt		356,420,958	317,983,202
Liabilities and equity		375,639,285	392,219,636
Going concern	1		
Key activities	2		
Contingent assets, liabilities and other financial obligations	11		
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Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
	DKK	DKK	DKK	DKK
Equity at 1 January	40,000	80,698,676	-6,502,242	74,236,434
Net profit/loss for the year	0	0	-55,018,107	-55,018,107
Transfer from share premium account	0	-80,698,676	80,698,676	0
Equity at 31 December	40,000	0	19,178,327	19,218,327

Notes to the Financial Statements

1. Going concern

Management is aware that the loan of DKK 235 million shall be repaid in 2024. Management is working on a plan to refinance the property. Management has in 2024 made an additional loan of DKK 11 million and expects to finance the Company going forward by either additional loans or capital increases. The value of the property amounts to DKK 347 million, which exceeds the debt to the external loan provider of DKK 235 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. Depreciation and impairment losses of property, plant and equipment

Depreciation of property, plant and equipment

	2023	2022
	DKK 12 months	DKK 6 months
	100,315	0
	<u>100,315</u>	<u>0</u>

4. Financial income

Other financial income

	2023	2022
	DKK 12 months	DKK 6 months
	138,281	0
	<u>138,281</u>	<u>0</u>

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK 12 months	DKK 6 months
5. Financial expenses		
Interest, Nordic Property Financing K/S	16,385,497	3,426,679
Interest, Intercompany	6,003,567	1,996,125
Other interest expenses	516,559	26,042
Amortisation of mortgage loan (borrowing expenses)	3,097,037	1,006,636
Other fees related to the loan extension	2,393,898	0
	<u>28,396,558</u>	<u>6,455,482</u>
	<u>2023</u>	<u>2022</u>
	DKK 12 months	DKK 6 months
6. Income tax expense		
Deferred tax for the year	1,833,966	-1,833,966
	<u>1,833,966</u>	<u>-1,833,966</u>

Notes to the Financial Statements

7. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	328,396,449
Additions for the year	33,127,024
Cost at 31 December	<u>361,523,473</u>
Value adjustments at 1 January	0
Revaluations for the year	-14,523,473
Value adjustments at 31 December	<u>-14,523,473</u>
Carrying amount at 31 December	<u>347,000,000</u>

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 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 as of 31 December 2022. No significant changes other than planned additions after the transaction as of 31 December 2022.

The fair value of Njalsgade 72, 2300 København S (Office) has been calculated based on the following assumptions:

	<u>2023</u>
	DKK
Discount rate	4,8%

The fair value of Njalsgade 72, 2300 København S (Retail) has been calculated based on the following assumptions:

	<u>2023</u>
	DKK
Discount rate	5,3%

Notes to the Financial Statements

The fair value of Njalsgade 72, 2300 København S (Parking) has been calculated based on the following assumptions:

	<u>2023</u>
	DKK
Discount rate	6,0%

8. Property, plant and equipment

	<u>Other fixtures and fittings, tools and equipment</u>	
	DKK	
Cost at 1 January	0	
Additions for the year	<u>1,566,981</u>	
Cost at 31 December	<u>1,566,981</u>	
Impairment losses and depreciation at 1 January	0	
Depreciation for the year	<u>100,315</u>	
Impairment losses and depreciation at 31 December	<u>100,315</u>	
Carrying amount at 31 December	<u>1,466,666</u>	
	<u>2023</u>	<u>2022</u>
	DKK	DKK

9. Derivative financial instruments

Derivative financial instruments contract in the form of interest rate swaps have been concluded. At the balance sheet date, the fair value of derivative financial instruments amounts to:

Assets	4,373,802	0
Financial expenses	516,559	0

The interest rate swap contract has been concluded to hedge future interest payments on floating rate loans. The loan contract has a termination date at latest in December 2024. Under the contract, an interest of CIBOR3 is exchanged for a fixed rate of interest of 2.00% on the loan with a principal amount of DKK 237.5 million. The interest rate swap contract has been concluded for the entire remaining maturity period of the loan, which expires in September 2024, while the swap itself expires in December 2024. At the balance sheet date, the fair value of the interest rate swap amounts to DKK 4.4 million. Other receivables of DKK 6.8 million consist of both derivatives and VAT receivable.

Notes to the Financial Statements

<u>2023</u>	<u>2022</u>
DKK	DKK

10. 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:

Payables to group enterprises

After 5 years	0	0
Between 1 and 5 years	<u>113,681,016</u>	<u>82,797,449</u>
Long-term part	113,681,016	82,797,449
Within 1 year	<u>0</u>	<u>0</u>
	<u>113,681,016</u>	<u>82,797,449</u>

<u>2023</u>	<u>2022</u>
DKK	DKK

11. 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 265.252.339 providing security on land and buildings with a carrying amount	347,000,000	328,396,449
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12. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Notes to the Financial Statements

13. Accounting policies

The Annual Report of Metropol PropCo ApS for 2023 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 2023 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.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as "Other receivables" and "Other payables", respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Income statement

Revenue

Revenue from rent is recognised in the income statement when delivery and transfer of risk to the buyer have been made before year end.

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

Notes to the Financial Statements

Expenses concerning investment properties

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

Other external expenses

Other external expenses comprise 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 the ultimate parent Company AWDK INVEST ApS. The tax effect of the joint taxation is allocated to enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

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.

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

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 fair value of investment properties has been assessed by the independent assessor firm Cushman & Wakefield at 31 December 2023

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.

Other property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Notes to the Financial Statements

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	5 years
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The fixed assets' residual values are determined at nil.

Depreciation period and residual value are reassessed annually.

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 liabilities

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.