

BIG Shopping Holding ApS

Holbergsgade 14, 2. tv.
1057 København K

CVR no. 42 78 13 04

**Annual report for the period
22 October to 31 December 2021**
(1st Financial year)

Adopted at the annual general meeting
on 14 July 2022

Ole Meier Sørensen
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Accounting policies	7
Income Statement	11
Balance Sheet	12
Statement of changes in equity	14
Notes	15

Statement by management on the annual report

The executive board has today discussed and approved the annual report of BIG Shopping Holding ApS for the financial year 22 October - 31 December 2021.

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 company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 22 October - 31 December 2021.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 14 July 2022

Executive board

Grant Broadway
Director

Ole Meier Sørensen
Director

Independent auditor's report

To the shareholder of BIG Shopping Holding ApS

Opinion

We have audited the financial statements of BIG Shopping Holding ApS for the financial year 22 October - 31 December 2021, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. 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 company's financial position at 31 December 2021 and of the results of the company's operations for the financial year 22 October - 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 the 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.

Independent auditor's report

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.
- 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.

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.

Independent auditor's report

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.

Frederiksberg, 14 July 2022
CVR no. 30 70 02 28

Henrik Reedt
Statsautoriseret revisor
MNE no. mne24830

Company details

The company

BIG Shopping Holding ApS
Holbergsgade 14, 2. tv.
1057 København K

CVR no.: 42 78 13 04

Reporting period: 22 October - 31 December 2021

Incorporated: 22 October 2021

Domicile: Copenhagen

Executive board

Grant Broadway
Ole Meier Sørensen

Auditors

EY
Godkendt Revisionspartnerselskab
Dirch Passers Allé 36
2000 Frederiksberg

Management's review

Business review

The purpose of the company is to participate directly or indirectly in real estate companies and any other form of investment in real estate, including the purchase, sale, exchange, subscription or transfer of shares of any kind (direct or indirect participation in real estate companies and any other form of investment in real estate property) as well as the administration, control and development of its portfolio.

The company's purpose is also to invest in and sell real estate, either by purchase or exchange, as well as the administration, development and management of real estate and the conduct of any business that directly or indirectly relates to it.

The company may provide guarantees, raise loans, grant loans or otherwise directly or indirectly assist the companies in which it has direct or indirect participation or rights over or which form part of the group.

The company may engage in commercial, industrial, real estate, intangible and financial activities that are useful in fulfilling its purpose.

Financial review

The company's income statement for the year ended 31 December 2021 shows a loss of DKK 366.818, and the balance sheet at 31 December 2021 shows equity of DKK 216.339.947.

Denmark have had very limited Covid-19 lockdowns resulting in less effect on the economy as whole compared to other European countries. Covid-19 hasn't had any major impact on the Danish real estate market. The company operates in the retail property market which have seen increased vacancies due to Covid-19. The pandemic has, inevitably, hit some businesses but there has been no impact on this company.

Significant events occurring after the end of the financial year

The Company Herlev – Big Shopping PropCo ApS will be merged with Herlev – Big Shopping Park ApS during the financial year 2022.

Accounting policies

The annual report of BIG Shopping Holding ApS for 2021 has been prepared 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 annual report for the financial year 22 October - 31 December 2021 is presented in DKK.

The financial year 22 October - 31 December 2021 is the company's first reporting period, no comparatives have been presented.

Pursuant to sections §112, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All 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.

Accounting policies

Income statement

Gross loss

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

Gross loss reflects other external expenses.

Other external costs

Other external costs include administration expenses.

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, realised and unrealised capital/exchange gains and losses on liabilities and foreign currency transactions and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Income from investments in subsidiaries

Dividend from participating interests is recognised in the financial year in which the dividend is declared.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

The company acts as management company for all jointly taxed entities and, in its capacity as such, pays all income taxes to the Danish tax authorities.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

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.

Accounting policies

Balance sheet

Fixed asset investments

Investments in subsidiaries

Investment in subsidiaries, associates and participating interests are measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Equity

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Income tax and deferred tax

As management company, BIG Shopping Holding ApS is liable for payment of the subsidiaries' corporate income taxes to the tax authorities.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Joint taxation contributions payable and receivable are recognised in the balance sheet as 'Joint taxation contributions receivable' or 'Joint taxation contributions payable'.

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.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

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

Accounting policies

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'.

Income statement
22 October 2021 - 31 December 2021

	<u>Note</u>	<u>2021</u> DKK
Gross loss		-15.814
Financial costs	1	<u>-454.465</u>
Profit/loss before tax		-470.279
Tax on profit/loss for the year	2	<u>103.461</u>
Profit/loss for the year		<u><u>-366.818</u></u>
 Recommended appropriation of profit/loss		
Retained earnings		<u>-366.818</u>
		<u><u>-366.818</u></u>

Balance sheet at 31 December 2021

	<u>Note</u>	<u>2021</u> DKK
Assets		
Investments in subsidiaries	3	<u>465.436.397</u>
Fixed asset investments		<u>465.436.397</u>
Total non-current assets		<u>465.436.397</u>
Receivables from subsidiaries		9.674.758
Other receivables		40.000
Joint taxation contributions receivable		<u>103.461</u>
Receivables		<u>9.818.219</u>
Total current assets		<u>9.818.219</u>
Total assets		<u>475.254.616</u>

Balance sheet at 31 December 2021

	<u>Note</u>	<u>2021</u> DKK
Equity and liabilities		
Share capital		40.001
Retained earnings		<u>216.299.946</u>
Equity		<u>216.339.947</u>
Payables to subsidiaries		<u>252.974.097</u>
Total non-current liabilities		<u>252.974.097</u>
Other payables		<u>5.940.572</u>
Total current liabilities		<u>5.940.572</u>
Total liabilities		<u>258.914.669</u>
Total equity and liabilities		<u><u>475.254.616</u></u>
Staff costs	4	
Contingent liabilities	5	
Mortgages and collateral	6	
Related parties and ownership structure	7	

Statement of changes in equity

	Share capital	Share premium account	Retained earnings	Total
Cash payments concerning formation of enterprise	40.000	0	0	40.000
Cash capital increase	1	216.666.764	0	216.666.765
Net profit/loss for the year	0	0	-366.818	-366.818
Transfer from share premium account	0	-216.666.764	216.666.764	0
Equity at 31 December 2021	40.001	0	216.299.946	216.339.947

Notes

	2021
	DKK
1 Financial costs	
Financial expenses, Group Entities	454.465
	454.465
2 Tax on profit/loss for the year	
Reimbursement in the joint taxation	-103.461
	-103.461
3 Investments in subsidiaries	
Cost at 22 October 2021	0
Additions for the year	465.436.397
Cost at 31 December 2021	465.436.397
Revaluations at 22 October 2021	0
Revaluations at 31 December 2021	0
Carrying amount at 31 December 2021	465.436.397

Investments in subsidiaries are specified as follows:

Name	Registered office	Ownership interest	Equity	Profit/loss for the year
HERLEV - BIG Shopping Park ApS	Copenhagen	100%	406.992.854	48.296.160

Notes

4 Staff costs

The company has no employees.

5 Contingent liabilities

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income as well as for Danish withholding taxes through divided tax, royalty and tax on unearned income. The total amount of tax payables until 1 December 2021 is included in the Annual Report of Herlev - Big Shopping Park ApS and total amount of tax payables for the period 1 – 31 December 2021 is included in the annual report of BIG Shopping Holding ApS, with the latter company taking over as the administration Company in relation to the joint taxation, following the purchase of the shares in Herlev - Big Shopping Park ApS.

6 Mortgages and collateral

The company has no mortgages and collaterals.

7 Related parties and ownership structure

- BIG Shopping Holding ApS is included in the consolidated financial statements for M&G European Property Fund SICAV-FIS at the highest level in the structure.