

# **Holmens Kanal ApS**

**c/o Citco (Denmark) ApS, Nybrogade 12, 1203 København K**

**Company reg. no. 37 42 43 07**

## **Annual Report**

**1 October 2022 - 30 September 2023**

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 8 April 2024

---

**Ole Meier Sørensen**  
Chairman of the meeting

# Contents

## Page

### **Management's and Auditor's Statement**

Management's Statement 1

Independent Auditor's Report 2

### **Management's Review**

Company Information 5

Management's Review 6

### **Financial Statements**

Accounting Policies 7

Income Statement 1 October 2022 - 30 September 2023 11

Balance sheet 30 September 2023 12

Statement of Changes in Equity 14

Notes to the Financial Statements 15

# Management's Statement on the Annual Report

The Executive Board has today considered and adopted the Annual Report of Holmens Kanal ApS for the financial period 1 October 2022 - 30 September 2023.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the Financial Statements give a true and fair view of the financial position at 30 September 2023 of the Company and of the results of the Company operations for the current financial year.

In our opinion, 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, 8 April 2024

## Executive Board

---

Ole Meier Sørensen

---

Charlotte Sydow Bech Jensen

---

Thomas Fahl

# **Independent Auditor's Report**

To the Shareholders of Holmens Kanal ApS

## **Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 30 September 2023, and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Holmens Kanal ApS for the financial year 1 October 2022 - 30 September 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes (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.

## **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, in our view, 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 in Management's Review.

# **Independent Auditor's Report**

## **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 additional requirements applicable in Denmark, we exercise professional judgement 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.

## Independent Auditor's Report

- 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, 8 April 2024  
PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR No 33 77 12 31

René Otto Poulsen  
State Authorised Public Accountant  
Mne26718

Henrik Hornbaek  
State Authorised Public Accountant  
Mne32802

## **Company Information**

### **Company**

Holmens Kanal ApS  
c/o Citco (Denmark) ApS  
Nybrogade 12  
1203 København K

Company reg. no. 37 42 43 07

Domicile: Copenhagen

Financial year: 1 October 2022 - 30 September 2023

### **Executive board**

Ole Meier Sørensen  
Charlotte Sydow Bech Jensen  
Thomas Fahl

### **Auditors**

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

### **Parent company**

AWL Properties I S.C.S SICAV.SIF  
17, Boulevard F.W. Raiffeisen, L-2411 Luxembourg

## **Management's Review**

### **The principal activities of the company**

The principal activities are investment, ownership, administration and development of properties and any business related hereto.

### **Uncertainties as to recognition or measurement**

The Company's investment properties are measured at fair value in the balance sheet by using input from an external valuation expert and applying a discounted cash flow model. The determination of fair value involves material accounting estimates. The estimates applied are based on historical 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. We refer to note 3 for additional information.

### **Development in activities and financial matters**

The gross profit for the year is t.DKK 63.573 against t.DKK 58.681 last year. The results from ordinary activities after tax are t.DKK -260.549 against t.DKK -100.074 last year. Management consider the profit for the year excluding fair value adjustment of the property in line with expectations and satisfactory.

## **Accounting Policies**

The annual report for Holmens Kanal ApS is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B entities and elective choice of certain provisions applying to reporting class C entities.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish Kroner (DKK).

### **Recognition and measurement in general**

Income is recognised in the profit and loss account concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs, these including depreciation, amortisation, writedown, provisions, and reversals which are due to changes in estimated amounts previously recognised in the profit and loss account are recognised in the profit and loss account.

Assets are recognised in the balance sheet when the company is liable to achieve future financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Certain fixed asset investments and liabilities are measured at amortised cost, by which method a fixed, effective interest is recognised during the useful life of the asset or the liability. Amortised cost is recognised as the original cost with deduction of any payments and additions/deductions of the accrued amortisation of the difference between cost and nominal amount. In this way capital losses and capital profits are spread over the useful life.

At recognition and measurement, such predictable losses and risks are taken into consideration, which may appear before the annual report is presented, and which concerns matters existing on the balance sheet date.

### **Translation of foreign currency**

Transactions in foreign currency are translated by using the spot exchange rate. Differences in the rate of exchange arising between the spot rate and the payment rate are recognised in the profit and loss account as an item under net financials.

Debtors, creditors, and other monetary items in foreign currency are translated at the closing rate. The difference between the closing rate and the spot rate is recognised in the profit and loss account under financial income and expenses.

Fixed assets and other non-monetary assets acquired in foreign currency and which are not considered to be investment assets purchased in foreign currencies are measured at the spot exchange rates.

# **Accounting Policies**

## **The profit and loss account**

### **Gross profit**

The gross profit contains: Revenue, operating costs and other external costs. In compliance with the Danish Financial Statements Act article 32, revenue is not disclosed in the annual report.

Revenue from rent income is recognised in the income statement in the relevant period of the lease.

Operating costs include costs directly associated with the operation of the property, repair and maintenance, taxes and other costs that are not paid by the tenant.

Other external expenses comprise expenses for administration, etc.

### **Fair value adjustment of investment property**

Value adjustment of investment property comprises value adjustments of properties at fair value.

### **Net financials**

Net financials comprise interest, realised and unrealised capital gains and losses concerning financial assets and liabilities, amortisation of financial assets and liabilities, additions and reimbursements under the Danish tax prepayment scheme, etc., financial income and expenses are recognised in the profit and loss account in the relevant accounting period.

### **Tax of the results for the year**

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

# **Accounting Policies**

## **The 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 assets 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.

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 estimates applied are based on historical 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.

### **Fixed assets investments**

Fixed asset investments consist of borrowing costs that are amortized over the maturity of the corresponding loan.

### **Debtors**

Debtors are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, writedown takes place at the net realisable value.

### **Accrued income and deferred expenses**

Deferred expenses recognised under assets comprise the incurred costs concerning the next financial year.

### **Available funds**

Available funds comprise cash at bank.

### **Corporate tax and deferred tax**

Current tax receivable and tax liabilities are recognised in the balance sheet in the amount calculated on the basis of the expected taxable income for the year adjusted for tax on previous years' taxable income and prepaid taxes.

Deferred tax is measured on the basis of all temporary differences in assets and liabilities with a balance sheet focus.

Deferred tax assets, including the tax value of tax losses eligible for carry over, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set off in deferred tax liabilities within the same legal tax unit.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation on the balance sheet date and prevailing when the deferred tax is expected to be released as current tax.

## **Accounting Policies**

### **Liabilities**

Financial liabilities related to borrowings are recognised at the received proceeds. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Liabilities relating to investment properties are measured at amortised cost.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

## Income Statement for the period 1 October 2022 - 30 September 2023

	Note	01.10.2022 - 30.09.2023	01.10.2021 - 30.09.2022
		<u>DKK 1,000</u>	<u>DKK 1,000</u>
<b>Gross profit</b>		<b>63.573</b>	<b>58.681</b>
Fair value adjustment of investment property		<u>(352.285)</u>	<u>(140.581)</u>
<b>Operating profit</b>		<b>-288.712</b>	<b>-81.900</b>
Financial expenses	1	<u>-40.842</u>	<u>-40.643</u>
<b>Result before tax</b>		<b>-329.554</b>	<b>-122.543</b>
Tax on ordinary results	2	<u>69.005</u>	<u>22.469</u>
<b>Results for the year</b>		<u><b>-260.549</b></u>	<u><b>-100.074</b></u>
Distribution for the results		<u>0</u>	<u>0</u>
Allocated to results brought forward		<u>-260.549</u>	<u>-100.074</u>

## Balance Sheet at 30 September 2023

### Assets

	Note	<u>30.09.2023</u> DKK 1,000	<u>30.09.2022</u> DKK 1,000
<b>Fixed assets</b>			
Investment property	3	<u>1.671.692</u>	<u>2.002.295</u>
Tangible fixed assets in total		<u>1.671.692</u>	<u>2.002.295</u>
Deferred financing costs		<u>1.059</u>	<u>1.205</u>
Fixed asset investments in total		<u>1.059</u>	<u>1.205</u>
<b>Fixed assets in total</b>		<u><b>1.672.751</b></u>	<u><b>2.003.500</b></u>
<b>Current assets</b>			
Trade debtors		18.158	16.699
Tax receivables		274	0
Accrued income and deferred expenses		<u>2.216</u>	<u>2.957</u>
Debtors in total		<u>20.648</u>	<u>19.656</u>
Available funds		<u>10.710</u>	<u>32.477</u>
<b>Current assets in total</b>		<u><b>31.358</b></u>	<u><b>52.133</b></u>
<b>Assets in total</b>		<u><b>1.704.109</b></u>	<u><b>2.055.633</b></u>

## Balance Sheet at 30 September 2023

### Equity and liabilities

	Note	<u>30.09.2023</u> DKK 1,000	<u>30.09.2022</u> DKK 1,000
<b>Equity</b>			
Contributed capital		70	70
Results brought forward		(41.920)	218.629
<b>Equity in total</b>		<u><b>(41.850)</b></u>	<u><b>218.699</b></u>
<b>Provisions</b>			
Provisions for deferred tax		46.008	122.720
<b>Provisions in total</b>		<u><b>46.008</b></u>	<u><b>122.720</b></u>
<b>Liabilities</b>			
Mortgage debt	4	735.000	735.000
Debt to group enterprises	5	937.843	947.395
Long-term liabilities in total		<u>1.672.843</u>	<u>1.682.395</u>
Trade creditors		1.979	4.244
Accrued expenses and deferred incomes		22.009	23.391
Corporate tax		3.120	3.562
Other debts		-	622
Short-term liabilities in total		<u>27.108</u>	<u>31.819</u>
<b>Liabilities in total</b>		<u><b>1.745.959</b></u>	<u><b>1.836.934</b></u>
<b>Equity and liabilities in total</b>		<u><b>1.704.109</b></u>	<u><b>2.055.633</b></u>

## Statement of Changes in Equity

	<b>Contributed capital</b>	<b>Results brought forward</b>	<b>In total</b>
	<u>DKK 1,000</u>	<u>DKK 1,000</u>	<u>DKK 1,000</u>
<b>Equity at 1 October 2022</b>	<b>70</b>	<b>218.629</b>	<b>218.699</b>
Profit or loss for the year brought forward	0	-260.549	-260.549
<b>Equity at 30 September 2023</b>	<b>70</b>	<b>(41.920)</b>	<b>-41.850</b>

## Notes to the Financial Statements

<b>01.10.2022 - 30.09.2023</b>	<b>01.10.2021 - 30.09.2022</b>
DKK 1,000	DKK 1,000

### 1 Financial expenses

Financial costs, group enterprises	37.897	37.897
Other financial costs	2.945	2.746
	<u>40.842</u>	<u>40.643</u>

### 2 Tax on ordinary results

Deferred tax adjustment during the period	(76.712)	(29.307,00)
Corporate income tax	7.707	6.838
	<u>(69.005)</u>	<u>(22.469)</u>

<b>30.09.2023</b>	<b>30.09.2022</b>
DKK 1,000	DKK 1,000

### 3 Investment property

Cost at beginning of financial year	<u>1.470.986</u>	<u>1.448.109</u>
Additions during the year	21.681	22.877
<b>Cost at financial year end</b>	<u>1.492.667</u>	<u>1.470.986</u>
year	531.309	671.891
Fair value adjustment during the year	<u>(352.284)</u>	<u>(140.582)</u>
<b>Fair value adjustment at financial year end</b>	<u>179.025</u>	<u>531.309</u>
<b>Book value at financial year end</b>	<u>1.671.692</u>	<u>2.002.295</u>

## Notes to the Financial Statements

### 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 assumptions regarding future cash flows, required rate of return etc.

The fair value of investment properties at 30 September 2023 has been assessed by an independent 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.

Average WACC	5,86%
Average inflation assumption	2,00%
Budget period	10
Terminal year	11
Average annual development in NOI	8,40%
Developer fee in percentage of the property value	12%

## Notes to the Financial Statements

<u>30.09.2023</u>	<u>30.09.2022</u>
DKK 1,000	DKK 1,000

### 4 Mortgage debt

Mortgage debt in total	735.000	735.000
<b>Liabilities due after 5 years</b>	<b><u>735.000</u></b>	<b><u>735.000</u></b>

On November 27, 2020 Holmens Kanal ApS has entered into a mortgage debt in amount of t.DKK 735,000 with Nykredit Realkredit A/S. The mortgage imposes a pledge on land and buildings at a total carrying amount of t.DKK 1,671,692.00.

### 5 Debt to group enterprises

<b>Debt to group enterprises in total</b>	<b>937.843</b>	<b>947.395</b>
Amount due within 1 year	<u>0</u>	<u>9.552</u>
Liabilities due from 1 to 5 years	<u>521.024</u>	<u>521.024</u>
Liabilities due after 5 years	<u>416.819</u>	<u>416.819</u>

### 6 Employees

Average number of employees during the financial year	<u>0</u>	<u>0</u>
---	----------	----------