

EREC III Holdings ApS

c/o DEinternational Denmark ApS
Kongens Nytorv 26, 3.
DK-1050 København K

CVR no. 37 78 66 67

Annual report 2022

The annual report was presented and approved at
the Company's annual general meeting on

14 July 2023

Christian Schwarz-Hansen
Chairman of the annual general meeting

EREC III Holdings ApS
Annual report 2022
CVR no. 37 78 66 67

Contents

Statement by the Executive Board

Independent auditor's report

Management's review

Company details
Operating review

Financial statements 1 January – 31 December

Income statement
Balance sheet
Statement of changes in equity
Notes

EREC III Holdings ApS
Annual report 2022
CVR no. 37 78 66 67

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report for EREC III Holdings ApS for the financial year 1 January - 31 December 2022.

The annual report has been 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 assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 14 July 2023

Executive Board:

Jürgen Dieter Büllsbach

Volker Becker



Independent auditor's report

To the Shareholder of EREC III Holdings ApS

Opinion

We have audited the financial statements of EREC III Holdings ApS for the financial year 1 January - 31 December 2022, comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are 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 assets, liabilities and financial position at 31 December 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022 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 (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 responsibility 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 that 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 as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.



Independent auditor's report

- 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 14 July 2023

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik Y. Jensen
State Authorised Public Accountant
mne35442

EREC III Holdings ApS
Annual report 2022
CVR no. 37 78 66 67

Management's review

Company details

EREC III Holdings ApS
c/o DEinternational Denmark ApS
Kongens Nytorv 26, 3.
DK-1050 København K

CVR no.:	37 78 66 67
Established:	9 June 2016
Registered office:	København
Financial year:	1 January - 31 December

Executive Board

Jürgen Dieter Büllsbach
Volker Becker

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Damp færgvej 28
DK-2100 København Ø
CVR no. 25 57 81 98

EREC III Holdings ApS
Annual report 2022
CVR no. 37 78 66 67

Management's review

Operating review

Principal activities

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

Material uncertainties regarding going concern

The company's current liabilities exceeds the company's current assets as per 31 December 2022. OPES Immobilien GmbH, have provided a guarentee that provides EREC III Holdings ApS with sufficient liquidity, so that EREC III Holdings ApS, at any time, has the sufficient liquidity to meet its current and future liabilities as they fall due.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2022.

Development in activities and financial position

The Company's income statement for 2022 shows a loss of DKK 2,536 thousands as against a loss of DKK 4,724 thousands in 1/7 2020 - 31/12 2021. Equity in the Company's balance sheet at 31 December 2022 stood at DKK 140,797 thousands as against DKK 143,333 thousands at 31 December 2021.

EREC III Holdings ApS
Annual report 2022
CVR no. 37 78 66 67

Financial statements 1 January – 31 December

Income statement

DKK'000	Note	2022	1/7 2020 - 31/12 2021 (18 Mos)
Gross loss		-199	-122
Other financial expenses	4	-2,410	-5,356
Loss before tax		-2,609	-5,478
Tax on loss for the year	5	73	754
Loss for the year		<u>-2,536</u>	<u>-4,724</u>
Proposed distribution of loss			
Retained earnings		-2,536	-4,724
		<u>-2,536</u>	<u>-4,724</u>

EREC III Holdings ApS
Annual report 2022
CVR no. 37 78 66 67

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
ASSETS			
Fixed assets			
Investments			
Equity investments in group entities	6	<u>280,267</u>	<u>280,267</u>
Total fixed assets		<u>280,267</u>	<u>280,267</u>
Current assets			
Receivables			
Deferred tax assets		<u>1,106</u>	<u>1,032</u>
Cash at bank and in hand		<u>2,165</u>	<u>2,398</u>
Total current assets		<u>3,271</u>	<u>3,430</u>
TOTAL ASSETS		<u>283,538</u>	<u>283,697</u>

EREC III Holdings ApS
Annual report 2022
CVR no. 37 78 66 67

Financial statements 1 January – 31 December

Balance sheet

DKK'000	Note	31/12 2022	31/12 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50	50
Share premium		0	163,000
Retained earnings		140,747	-19,717
Total equity		<u>140,797</u>	<u>143,333</u>
Liabilities			
Current liabilities			
Payables to group entities		142,709	140,326
Other payables, including taxes payable		32	38
Total liabilities		<u>142,741</u>	<u>140,364</u>
TOTAL EQUITY AND LIABILITIES		<u>283,538</u>	<u>283,697</u>

EREC III Holdings ApS
Annual report 2022
CVR no. 37 78 66 67

Financial statements 1 January – 31 December

Statement of changes in equity

DKK'000	Contributed capital	Share premium	Retained earnings	Total
Equity at 1 January 2022	50	163,000	-19,717	143,333
Transferred over the distribution of loss	0	0	-2,536	-2,536
Transfer from share premium account	0	-163,000	163,000	0
Equity at 31 December 2022	50	0	140,747	140,797

EREC III Holdings ApS
Annual report 2022
CVR no. 37 78 66 67

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of EREC III Holdings ApS for 2022 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Other external costs

Other external costs comprise administrative and office premises.

Financial income and expenses

Financial income and expenses comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in subsidiaries measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

Tax on loss for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement at the amount attributable to the profit/loss for the year and directly in equity at the amount attributable to entries directly in equity.

The Company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

Balance sheet

Investments

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value. The cost is reduced by dividends received exceeding accumulated earnings after the acquisition date.

Impairment of fixed assets

The carrying amount of equity investments in group entities is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively. However, deferred tax is not recognised on temporary differences relating to office buildings non-deductible for tax purposes and other items where temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Liabilities

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

Financial statements 1 January – 31 December

Notes

2 Material uncertainty regarding going concern

The Company's current liabilities exceeds the Company's current assets as per 31 December 2022. OPES Immobilien GmbH, have provided a guarantee that provides EREC III Holdings ApS with sufficient liquidity, so that EREC III Holdings ApS, at any time, has the sufficient liquidity to meet its current and future liabilities as they fall due.

3 Staff costs

	2022	1/7 2020 - 31/12 2021 (18 Mos)
Average number of full-time employees	<u>0</u>	<u>0</u>

4 Other financial expenses

	2022	1/7 2020 - 31/12 2021 (18 Mos)
DKK'000		
Interest paid to group entities	2,317	5,334
Other interest expenses	20	22
Exchange losses	73	0
	<u>2,410</u>	<u>5,356</u>

5 Tax on loss for the year

	2022	1/7 2020 - 31/12 2021 (18 Mos)
DKK'000		
Deferred tax adjustment for the year	-573	-857
Adjustment of deferred tax concerning previous years	500	103
	<u>-73</u>	<u>-754</u>

6 Investments

	Equity investments in group entities
DKK'000	
Cost at 1 January 2022	<u>280,267</u>
Cost at 31 December 2022	<u>280,267</u>
Carrying amount at 31 December 2022	<u>280,267</u>

EREC III Holdings ApS
Annual report 2022
CVR no. 37 78 66 67

Financial statements 1 January – 31 December

Notes

7 Contractual obligations, contingencies, etc.

Contingent liabilities

The Group's Danish entities are jointly and severally liable for tax on the Group's jointly taxed income and for certain withholding taxes such as dividend tax and royalty tax.

8 Related parties

EREC III Holdings ApS' related parties comprise the following:

Control

EREC III Holdings ApS is part of the consolidated financial statements of OPES Immobilien GmbH, Schlehdornstrasse 3, 82031 Grünwald, Germany, which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of OPES Immobilien GmbH can be obtained by contacting the Company at the address above.