

ERF Copenhagen Holding

ApS

c/o CEJ Ejendomsadministration
Meldahls­gade 5, 1., 1.
DK-1613 København V

CVR no. 36 04 42 68

Annual report 1 October 2022 - 30 September 2023

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

23 February 2024

Karl Rikard Anton Karlström
Chairman of the annual general meeting

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Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report for ERF Copenhagen Holding ApS for the financial year 1 October 2022 - 30 September 2023.

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 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023.

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, 23 February 2024

Executive Board:

Peter Eric Broström

Board of Directors:

Karl Rikard Anton Karlström
Chairman

Peter Eric Broström

Hélène Henning



Independent auditor's report

To the shareholder of ERF Copenhagen Holding ApS

Opinion

We have audited the financial statements of ERF Copenhagen Holding ApS for the financial year 1 October 2022 - 30 September 2023, 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 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.

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, 23 February 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik Y. Jensen
State Authorised Public Accountant
mne35442

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Management's review

Company details

ERF Copenhagen Holding ApS
c/o CEJ Ejendomsadministration
Meldahls­gade 5, 1., 1.
DK-1613 København V

CVR no.:	36 04 42 68
Established:	11 July 2014
Registered office:	Copenhagen
Financial year:	1 October - 30 September

Board of Directors

Karl Rikard Anton Karlström, Chairman
Peter Eric Broström
Hélène Henning

Executive Board

Peter Eric Broström

Auditor

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

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Management's review

Operating review

Principal activities

The objective of the Company is through subsidiaries to invest in real estate as well as other related activities.

Development in activities and financial position

The Company's income statement for 2022/23 shows a loss of DKK 55,026 thousand as against a profit of DKK 94 thousand in 2021/22. Equity in the Company's balance sheet at 30 September 2023 stood at DKK 108,023 thousand as against DKK 178,049 thousand at 30 September 2022.

Events after the balance sheet date

Subsequent to year end, turbulence in the property market has increased and ongoing deals have been repriced or even abandoned. As a consequence, yields have increased. This will impact the valuation of the subsidiaries.

No other events have occurred after the balance sheet date that may materially affect the Company's financial position.

Moreover, reference is made to note 10, in which the matter is described in further detail.

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Financial statements 1 October – 30 September

Income statement

DKK'000	Note	2022/23	2021/22
Gross loss		-149	-139
Other financial income	3	28,821	13,701
Other financial expenses	4	-83,368	-13,442
Profit/loss before tax		-54,696	120
Tax on profit/loss for the year	5	-330	-26
Profit/loss for the year		<u>-55,026</u>	<u>94</u>
Proposed profit appropriation/distribution of loss			
Proposed dividends for the financial year		0	15,000
Retained earnings		<u>-55,026</u>	<u>-14,906</u>
		<u>-55,026</u>	<u>94</u>

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Balance sheet

DKK'000	Note	30/9 2023	30/9 2022
ASSETS			
Fixed assets			
Investments			
Equity investments in group entities	6	120,508	190,351
Receivables from group entities	7	180,200	180,200
		<u>300,708</u>	<u>370,551</u>
Total fixed assets		<u>300,708</u>	<u>370,551</u>
Current assets			
Receivables			
Corporation tax		0	249
Cash at bank and in hand		<u>664</u>	<u>7,280</u>
Total current assets		<u>664</u>	<u>7,529</u>
TOTAL ASSETS		<u>301,372</u>	<u>378,080</u>

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Balance sheet

DKK'000	Note	30/9 2023	30/9 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		50	50
Retained earnings		107,973	162,999
Proposed dividends for the financial year		0	15,000
Total equity		<u>108,023</u>	<u>178,049</u>
Liabilities			
Non-current liabilities			
Subordinate loan capital	8	<u>193,200</u>	<u>193,200</u>
Current liabilities			
Trade payables		42	40
Payables to group entities		0	6,762
Joint taxation contribution		107	27
Other payables, including taxes payable		0	2
		<u>149</u>	<u>6,831</u>
Total liabilities		<u>193,349</u>	<u>200,031</u>
TOTAL EQUITY AND LIABILITIES		<u><u>301,372</u></u>	<u><u>378,080</u></u>

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Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 October 2022	50	162,999	15,000	178,049
Ordinary dividends paid	0	0	-15,000	-15,000
Transferred over the distribution of loss	0	-55,026	0	-55,026
Equity at 30 September 2023	50	107,973	0	108,023

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1 Accounting policies

The annual report of ERF Copenhagen Holding ApS for 2022/23 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.

However, minor reclassifications have been made in the comparative figures.

Omission of presentation of consolidated financial statements

Pursuant to section 110(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Other external costs

Other external costs comprise administration expenses, etc.

Financial income and expenses

Financial income and expenses comprise interest income and interest expenses, realised and unrealised capital gains and losses on mortgage debt and transactions in foreign currencies, as well as tax surcharge and relief under the Danish Tax Prepayment Scheme, etc.

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

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividends exceed profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

Tax on profit/loss for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

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1 Accounting policies

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation 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 used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

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.

Equity investments in group entities are recognised at amortised cost.

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.

Equity

Dividends

The expected dividend payment for the year is disclosed as a separate item under equity.

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

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1 Accounting policies

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.

Liabilities

Liabilities are measured at amortised cost.

2 Staff costs

	<u>2022/23</u>	<u>2021/22</u>
Average number of full-time employees	0	0

3 Other financial income

	<u>2022/23</u>	<u>2021/22</u>
DKK'000		
Interest income from group entities	13,821	13,701
Income from fixed asset investments	15,000	0
	<u>28,821</u>	<u>13,701</u>

4 Other financial expenses

	<u>2022/23</u>	<u>2021/22</u>
DKK'000		
Interest paid to group entities	13,524	13,420
Exchange losses	1	22
Impairment of financial assets	69,843	0
	<u>83,368</u>	<u>13,442</u>

5 Tax on profit/loss for the year

	<u>2022/23</u>	<u>2021/22</u>
DKK'000		
Current tax for the year	330	26
	<u>330</u>	<u>26</u>

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6 Investments

DKK'000	Equity investments in group entities
Cost at 1 October 2022	190,351
Cost at 30 September 2023	190,351
Revaluations at 1 October 2022	0
Impairment losses for the year	-69,843
Revaluations at 30 September 2023	-69,843
Carrying amount at 30 September 2023	120,508

Name/legal form	Registered office	Equity interest	Equity DKK'000	Profit/loss for the year DKK'000
Equity investments in group entities:				
ERF Copenhagen NO 1 ApS	Copenhagen	100%	14,785	-39,206
ERF Copenhagen NO 2 ApS	Copenhagen	100%	105,723	-55,460
			<u>120,508</u>	<u>-94,666</u>

7 Other long-term receivables

DKK'000	Receivables from group entities
Cost at 1 October 2022	180,200
Cost at 30 September 2023	180,200
Carrying amount at 30 September 2023	180,200

Receivables from group entities consist of loan to ERF Copenhagen NO 1 ApS of total DKK 35,000 thousand (2021/22: DKK 35,000 thousand) and loan to ERF Copenhagen NO 2 ApS of total DKK 145,200 thousand (2021/22: DKK 145,200 thousand). The outstanding amount after 5 years is DKK 180,200 thousand.

8 Non-current liabilities other than provisions

DKK'000	30/9 2023	30/9 2022
Subordinate loan capital:		
>5 year	193,200	193,200
	<u>193,200</u>	<u>193,200</u>

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9 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax, etc

10 Events after the balance sheet date

Subsequent to year end, turbulence in the property market has increased and ongoing deals have been repriced or even abandoned. As a consequence, yields have increased. This will impact the valuation of the subsidiaries.

No other events have occurred after the balance sheet date that may materially affect the Company's financial position.