

# ECF Copenhagen Retail 15

## ApS

Meldahls­gade 5  
DK-1613 København V

CVR no. 34 62 73 98

**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 Executive Board

The Executive Board has today discussed and approved the annual report for ECF Copenhagen Retail 15 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

\_\_\_\_\_  
Hélène Henning

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Karl Rikard Anton Karlström



## Independent auditor's report

### To the shareholder of ECF Copenhagen Retail 15 ApS

#### Opinion

We have audited the financial statements of ECF Copenhagen Retail 15 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

ECF Copenhagen Retail 15 ApS  
Meldahls­gade 5  
DK-1613 Copenhagen

CVR no.:	34 62 73 98
Established:	10 August 2012
Registered office:	Copenhagen
Financial year:	1 October - 30 September

### Executive Board

Peter Eric Broström  
Hélène Henning  
Karl Rikard Anton Karlström

### 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 to invest in real estate as well as other related activities.

#### **Uncertainty regarding recognition and measurement**

The Company's investment properties are measured at fair value using the income capitalisation method. The required return on investment is subject to material accounting estimates where fair value could deviate from the actual value of the investment properties.

#### **Development in activities and financial position**

The Company's income statement for 2022/23 shows a loss of DKK 6,022,523 as against a profit of DKK 69,132 in 2021/22. Equity in the Company's balance sheet at 30 September 2023 stood at DKK 27,874,582 as against DKK 33,897,105 at 30 September 2022.

#### **Events after the balance sheet date**

In the valuation of the retail property an exit yield of 3.85% has been applied. 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.

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	Note	2022/23	2021/22
<b>Gross profit</b>		1,815,059	1,726,036
Losses from fair value adjustments of investment property		-8,251,514	-951,516
Other financial income		13,109	0
Other financial expenses	3	-1,297,845	-685,888
<b>Profit/loss before tax</b>		-7,721,191	88,632
Tax on profit/loss for the year	4	1,698,668	-19,500
<b>Profit/loss for the year</b>		<u>-6,022,523</u>	<u>69,132</u>
<b>Proposed profit appropriation/distribution of loss</b>			
Retained earnings		-6,022,523	69,132
		<u>-6,022,523</u>	<u>69,132</u>

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## Financial statements 1 October – 30 September

### Balance sheet

DKK	Note	30/9 2023	30/9 2022
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	5		
Investment property		57,139,391	65,390,905
<b>Total fixed assets</b>		57,139,391	65,390,905
<b>Current assets</b>			
<b>Receivables</b>			
Other receivables		574,470	1,061,015
Prepayments		102,580	3,684
		677,050	1,064,699
<b>Cash at bank and in hand</b>		6,392,034	4,957,754
<b>Total current assets</b>		7,069,084	6,022,453
<b>TOTAL ASSETS</b>		64,208,475	71,413,358

## Financial statements 1 October – 30 September

### Balance sheet

DKK	Note	30/9 2023	30/9 2022
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		100,000	100,000
Retained earnings		27,774,582	33,797,105
<b>Total equity</b>		<u>27,874,582</u>	<u>33,897,105</u>
<b>Provisions</b>			
Provisions for deferred tax	6	5,586,673	7,510,599
<b>Total provisions</b>		<u>5,586,673</u>	<u>7,510,599</u>
<b>Liabilities other than provisions</b>			
<b>Non-current liabilities other than provisions</b>			
Debt to credit institutions	7	23,062,662	0
Subordinate loan capital		5,500,000	5,500,000
		<u>28,562,662</u>	<u>5,500,000</u>
<b>Current liabilities other than provisions</b>			
Debt to credit institutions	7	0	23,098,794
Trade payables		195,311	124,791
Payables to group entities		1,276,828	921,250
Joint taxation contribution		426,500	201,242
Other payables, including taxes payable		285,919	159,577
		<u>2,184,558</u>	<u>24,505,654</u>
<b>Total liabilities other than provisions</b>		<u>30,747,220</u>	<u>30,005,654</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>64,208,475</u>	<u>71,413,358</u>

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## Financial statements 1 October – 30 September

### Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 October 2022	100,000	33,797,105	33,897,105
Transferred over the distribution of loss	0	-6,022,523	-6,022,523
<b>Equity at 30 September 2023</b>	<b>100,000</b>	<b>27,774,582</b>	<b>27,874,582</b>

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## Financial statements 1 October – 30 September

### Notes

#### 1 Accounting policies

The annual report of ECF Copenhagen Retail 15 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.

#### 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

#### Revenue

Rental revenue is recognised as income on a straight line basis over the lease period. When the Company provides incentives to its tenants, the cost of incentives is recognised over the lease period on a straight line basis.

#### Other external costs

Other external expenses comprise administration expenses, costs in relation to buildings, etc.

#### Losses from fair value adjustments of investment property

Value adjustment comprises the year's changes in the fair value of investment properties.

#### 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.

#### Tax on profit/loss for the year

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.

## Financial statements 1 October – 30 September

### Notes

#### 1 Accounting policies

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

#### Investment property

Investment properties comprise properties held to earn rentals, held for capital appreciation or both.

On initial recognition, investment properties are measured at cost including purchase price and directly related costs. The carrying amount also includes costs for improvements if the recognition criteria are met.

Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values are included in the income statement in the year in which they arise.

The properties are valued using the income capitalisation method where a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate. The calculated value is adjusted with expected future change in rental value, voids, capital expenses and other special circumstances.

The valuations are performed by JLL, an accredited independent valuer with recognised and relevant professional qualifications and recent experience of the location and category of the investment property valued. The used valuation model is in accordance with that recommended by the International Valuation Standards Committee. These valuation models are consistent with the principles in IFRS 13.

#### 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.

Other receivables consists of rental incentives.

#### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Cash at bank and in hand

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

## Financial statements 1 October – 30 September

### Notes

#### 1 Accounting policies

##### 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.

##### Liabilities other than provisions

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.

#### 2 Staff costs

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

#### 3 Other financial expenses

DKK	<u>2022/23</u>	<u>2021/22</u>
Interest paid to group entities	355,578	368,500
Other interest expenses	942,267	317,388
	<u>1,297,845</u>	<u>685,888</u>

## Financial statements 1 October – 30 September

### Notes

#### 4 Tax on profit/loss for the year

DKK	2022/23	2021/22
Current tax for the year	225,258	215,212
Deferred tax adjustment for the year	-1,923,926	-195,712
	<u>-1,698,668</u>	<u>19,500</u>

#### 5 Property, plant and equipment

DKK	Investment property
Cost at 1 October 2022	36,403,797
Cost at 30 September 2023	36,403,797
Revaluations at 1 October 2022	28,987,108
Revaluations	-8,251,514
Revaluations at 30 September 2023	20,735,594
<b>Carrying amount at 30 September 2023</b>	<u>57,139,391</u>

##### Key assumptions:

The property totaling 310 sqm. is located in Copenhagen and is mainly used for retail and office. In the valuation of the property an exit yield of 3.85% has been applied. According to the external report at 30 September 2023, the valuation amounts to DKK 57.7 million including rental incentives of DKK 561 thousand classified as other receivables.

##### Sensitivity analysis:

An increase of the exit yield by 0.25 percentage points would reduce the property value by DKK 2.7 millions and a decrease in the exit yield by 0.25 percentage points would increase the property value by DKK 5.2 millions at the balance sheet date.

#### 6 Deferred tax

DKK	30/9 2023	30/9 2022
Deferred tax at 1 January	7,510,599	7,706,311
Deferred tax adjustment for the year in the income statement	-1,923,926	-195,712
	<u>5,586,673</u>	<u>7,510,599</u>

## Financial statements 1 October – 30 September

### Notes

#### 7 Non-current liabilities other than provisions

DKK	30/9 2023	30/9 2022
Debt to credit institutions:		
0-1 year	0	23,098,794
1-5 year	23,062,662	0
	<u>23,062,662</u>	<u>23,098,794</u>
Subordinate loan capital:		
>5 year	5,500,000	5,500,000
	<u>5,500,000</u>	<u>5,500,000</u>
<b>Total financial debts</b>	<u><b>28,562,662</b></u>	<u><b>28,598,794</b></u>
The financial debts are recognized in the balance sheet as follows:		
Long-term debt	28,562,662	5,500,000
Short-term debt	0	23,098,794
	<u>28,562,662</u>	<u>28,598,794</u>

#### 8 Contractual obligations, contingencies, etc.

##### Contingent liabilities

The Company is subject to the Danish scheme of joint taxation with ECF Copenhagen Retail Holdco ApS as the administrative company. The Company has unlimited liability and is jointly and severally liable with the other jointly taxed companies for the total corporation tax, etc.

#### 9 Mortgages and collateral

As security for mortgage debt, DKK 23,063 thousand, the Company has provided collateral in land and buildings with a carrying amount of DKK 57,139 thousand at 30 September 2023.

#### 10 Events after the balance sheet date

In the valuation of the retail property an exit yield of 3.85% has been applied. 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.

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