

ECF Copenhagen Retail 15 ApS

c/o CEJ Ejendomsadministration A/S
Meldahls­gade 5
DK-1613 København V

CVR no. 34 62 73 98

Annual report 1 October 2023 - 30 September 2024

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

24 January 2025

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 2023 - 30 September 2024.

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 2024 and of the results of the Company's operations for the financial year 1 October 2023 - 30 September 2024.

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, 24 January 2025

Executive Board:

Peter Eric Broström

Hélène Henning

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 2023 - 30 September 2024, 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 2024 and of the results of the Company's operations for the financial year 1 October 2023 - 30 September 2024 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, 24 January 2025

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
c/o CEJ Ejendomsadministration A/S
Meldahls­gade 5
DK-1613 København V

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

Audit

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 2023/24 shows a loss of DKK 8,458,741 as against a loss of DKK 6,022,523 in 2022/23. Equity in the Company's balance sheet at 30 September 2024 stood at DKK 19,415,841 as against DKK 27,874,582 at 30 September 2023.

Events after the balance sheet date

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

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Income statement

DKK	Note	2023/24	2022/23
Gross profit		2,127,812	1,815,059
Losses from fair value adjustments of investment property		-11,551,516	-8,251,514
Other financial income		37,493	13,109
Other financial expenses	3	-1,458,212	-1,297,845
Loss before tax		-10,844,423	-7,721,191
Tax on loss for the year	4	2,385,682	1,698,668
Loss for the year		<u>-8,458,741</u>	<u>-6,022,523</u>
Proposed distribution of loss			
Retained earnings		-8,458,741	-6,022,523
		<u>-8,458,741</u>	<u>-6,022,523</u>

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Financial statements 1 October – 30 September

Balance sheet

DKK	Note	30/9 2024	30/9 2023
ASSETS			
Fixed assets			
Property, plant and equipment	5		
Investment property		<u>45,587,875</u>	<u>57,139,391</u>
Total fixed assets		<u>45,587,875</u>	<u>57,139,391</u>
Current assets			
Receivables			
Other receivables		140,218	574,470
Prepayments		<u>87,962</u>	<u>102,580</u>
		<u>228,180</u>	<u>677,050</u>
Cash at bank and in hand		<u>7,797,387</u>	<u>6,392,034</u>
Total current assets		<u>8,025,567</u>	<u>7,069,084</u>
TOTAL ASSETS		<u>53,613,442</u>	<u>64,208,475</u>

Financial statements 1 October – 30 September

Balance sheet

DKK	Note	30/9 2024	30/9 2023
EQUITY AND LIABILITIES			
Equity			
Contributed capital		100,000	100,000
Retained earnings		19,315,841	27,774,582
Total equity		<u>19,415,841</u>	<u>27,874,582</u>
Provisions			
Provisions for deferred tax	6	2,941,530	5,586,673
Total provisions		<u>2,941,530</u>	<u>5,586,673</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
Debt to credit institutions	7	23,086,036	23,062,662
Subordinate loan capital		5,500,000	5,500,000
		<u>28,586,036</u>	<u>28,562,662</u>
Current liabilities other than provisions			
Trade payables		217,258	195,311
Payables to group entities		1,567,228	1,276,828
Joint taxation contribution		685,961	426,500
Other payables, including taxes payable		199,588	285,919
		<u>2,670,035</u>	<u>2,184,558</u>
Total liabilities other than provisions		<u>31,256,071</u>	<u>30,747,220</u>
TOTAL EQUITY AND LIABILITIES		<u>53,613,442</u>	<u>64,208,475</u>

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Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 October 2023	100,000	27,774,582	27,874,582
Transferred over the distribution of loss	0	-8,458,741	-8,458,741
Equity at 30 September 2024	100,000	19,315,841	19,415,841

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1 Accounting policies

The annual report of ECF Copenhagen Retail 15 ApS for 2023/24 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.

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 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.

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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 (exit yield). 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.

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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>2023/24</u>	<u>2022/23</u>
Average number of full-time employees	0	0

3 Financial Expenses

DKK	<u>2023/24</u>	<u>2022/23</u>
Interest paid to group entities	290,400	355,578
Other interest expenses	1,144,421	897,148
Exchange losses	17	0
Other financial expenses	23,374	45,119
	<u>1,458,212</u>	<u>1,297,845</u>

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4 Tax on profit for the year

DKK	2023/24	2022/23
Current tax for the year	259,461	225,258
Deferred tax adjustment for the year	-2,645,143	-1,923,926
	<u>-2,385,682</u>	<u>-1,698,668</u>

5 Property, plant and equipment

DKK	Investment property
Cost at 1 October 2023	36,403,797
Cost at 30 September 2024	36,403,797
Revaluations at 1 October 2023	20,735,594
Revaluations	-11,551,516
Revaluations at 30 September 2024	9,184,078
Carrying amount at 30 September 2024	<u>45,587,875</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 4.5% has been applied. The property is 100% vacant as of 31 December 2024 and a void period of 9 months has been assumed. According to the external report at 30 September 2024, the valuation amounts to DKK 45,700 thousand including rental incentives of DKK 112 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 3.0 millions at the balance sheet date.

6 Deferred tax

DKK	2023/24	2022/23
Deferred tax at 1 October	5,586,673	7,510,599
Deferred tax adjustment for the year in the income statement	-2,645,143	-1,923,926
	<u>2,941,530</u>	<u>5,586,673</u>

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7 Non-current liabilities other than provisions

DKK	<u>2023/24</u>	<u>2022/23</u>
Debt to credit institutions:		
1-5 years	<u>23,086,036</u>	<u>23,062,662</u>
	<u>23,086,036</u>	<u>23,062,662</u>
Subordinate loan capital:		
1-5 years	5,500,000	0
>5 years	<u>0</u>	<u>5,500,000</u>
	<u>5,500,000</u>	<u>5,500,000</u>
Total financial debts	<u>28,586,036</u>	<u>28,562,662</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 23,086 thousand, the Company has provided collateral in land and buildings with a carrying amount of DKK 45,588 thousand at 30 September 2024.