

Euro V DK K/S

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

CVR no. 41 95 06 09

Annual report 2023

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

15 March 2024

Godfrey Andrew Abel
Chairman of the annual general meeting

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Statement by the Executive Board

I have reviewed and approved the annual report for Euro V DK K/S for the financial year 1 January - 31 December 2023.

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

In my opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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

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

Copenhagen, 15 March 2024
On behalf of Euro V DK GP S.á.r.l.:

Rowena Jane Doreen
Giordani

Godfrey Andrew Abe



Independent auditor's report

To the shareholder of Euro V DK K/S

Opinion

We have audited the financial statements of Euro V DK K/S for the financial year 1 January - 31 December 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 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 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, 15 March 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

Henrik Y. Jensen
State Authorised Public Accountant
mne35442

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Company details

Euro V DK K/S
c/o CEJ Ejendomsadministration A/S
Meldahls­gade 5, 1.
DK-1613 København V

CVR no.:	41 95 06 09
Established:	16 December 2020
Registered office:	København
Financial year:	1 January - 31 December

On behalf of Euro V DK GP S.á.r.l.

Rowena Jane Doreen Giordani
Godfrey Andrew Abe

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 object of the Company is to own, develop, rent and manage real estate, directly and indirectly, as well as related business.

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 shows a loss of DKK 3,416,936 as against a loss of DKK 3,154,857 in 2022. Equity in the Company's balance sheet at 31 December 2023 stood at DKK 12,976,130 as against DKK 22,893,066 at 31 December 2022.

Events after the balance sheet date

No events have occurred after the balance sheet date of material importance to the annual report for 2023.

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Income statement

DKK	Note	2023	2022
Gross profit		5,712,273	5,460,366
Losses from fair value adjustments of investment property		-5,925,000	-5,350,000
Other financial income		132,316	131,910
Other financial expenses	3	-3,336,525	-3,397,133
Loss for the year		<u>-3,416,936</u>	<u>-3,154,857</u>

Proposed distribution of loss

Extraordinary dividends distributed in the year		6,500,000	938,296
Retained earnings		<u>-9,916,936</u>	<u>-4,093,153</u>
		<u>-3,416,936</u>	<u>-3,154,857</u>

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Balance sheet

DKK	Note	31/12 2023	31/12 2022
ASSETS			
Fixed assets			
Property, plant and equipment	4		
Investment property		<u>115,575,000</u>	<u>121,500,000</u>
Total fixed assets		<u>115,575,000</u>	<u>121,500,000</u>
Current assets			
Receivables			
Trade receivables		<u>2,450</u>	<u>1,897</u>
Cash at bank and in hand		<u>2,751,566</u>	<u>6,622,924</u>
Total current assets		<u>2,754,016</u>	<u>6,624,821</u>
TOTAL ASSETS		<u>118,329,016</u>	<u>128,124,821</u>

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Balance sheet

DKK	Note	31/12 2023	31/12 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		262,900	262,900
Retained earnings		12,713,230	22,630,166
Total equity		<u>12,976,130</u>	<u>22,893,066</u>
Liabilities			
Non-current liabilities			
Debt to credit institutions	5	58,910,376	58,827,128
Payables to shareholders and management		45,459,533	45,459,533
		<u>104,369,909</u>	<u>104,286,661</u>
Current liabilities			
Debt to credit institutions	5	131,199	131,554
Trade payables		457,998	433,419
Other payables, including taxes payable		393,780	380,121
		<u>982,977</u>	<u>945,094</u>
Total liabilities		<u>105,352,886</u>	<u>105,231,755</u>
TOTAL EQUITY AND LIABILITIES		<u>118,329,016</u>	<u>128,124,821</u>

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Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2023	262,900	22,630,166	22,893,066
Transferred over the distribution of loss	0	-9,916,936	-9,916,936
Equity at 31 December 2023	262,900	12,713,230	12,976,130

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1 Accounting policies

The annual report of Euro V DK K/S for 2023 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

Revenue

Rental revenue from operating leases 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 costs comprise costs incurred during the year as a result of the rental of the Company's property and administration.

Losses from fair value adjustments of investment property

Fair value adjustment of investment properties 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, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Balance sheet

Property, plant and equipment

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.

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1 Accounting policies

Impairment of fixed assets

The carrying amount of property, plant and equipment 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.

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.

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

The Company is not subject to taxation.

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.

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2 Staff costs

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

3 Other financial expenses

	2023	2022
DKK		
Interest paid to group entities	2,727,572	2,727,572
Other interest expenses	4	53,715
Other adjustments of financial expenses	608,949	615,846
	<u>3,336,525</u>	<u>3,397,133</u>

4 Property, plant and equipment

	Investment property
DKK	
Cost at 1 January 2023	127,681,589
Cost at 31 December 2023	<u>127,681,589</u>
Revaluations at 1 January 2023	-6,181,589
Revaluations	<u>-5,925,000</u>
Revaluations at 31 December 2023	<u>-12,106,589</u>
Carrying amount at 31 December 2023	<u><u>115,575,000</u></u>

Key assumptions:

The properties totalling 4,466 sqm. comprise retail properties with various location in Denmark. In the valuation of the properties an exit yield of 5.5% has been applied. According to the external report at 31 December 2023, the valuation amounts to DKK 115.6 million.

Sensitivity analysis:

An increase of the exit yield by 0.25 percentage points would reduce the properties value by DKK 4.8 millions and a decrease in the exit yield by 0.25 percentage points would increase the properties value by DKK 5.6 millions at the balance sheet date.

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5 Non-current liabilities other than provisions

DKK	31/12 2023	31/12 2022
Debt to credit institutions:		
0-1 year	131,199	131,554
1-5 year	17,041,449	10,702,475
>5 year	41,868,927	48,124,653
	<u>59,041,575</u>	<u>58,958,682</u>
Long-term payables to shareholders and management:		
1-5 year	45,459,533	45,459,533
	<u>45,459,533</u>	<u>45,459,533</u>
Total financial debts	<u>104,501,108</u>	<u>104,418,215</u>
The financial debts are recognized in the balance sheet as follows:		
Long-term debt	104,369,909	104,286,661
Short-term debt	131,199	131,554
	<u>104,501,108</u>	<u>104,418,215</u>

6 Mortgages and collateral

As security for mortgage debt, DKK 59,042 thousand, the Company has provided collateral in land and buildings with a carrying amount of DKK 115,575 thousand at 31 December 2023.

7 Related parties

Euro V DK K/S is 100% owned by Euro V DK LP S.á.r.l.

Control

Euro V DK K/S is part of the consolidated financial statements of Savills IM European Fund V - Retail SCSP, Luxembourg, which is the smallest group in which the Company is included as a subsidiary.