

Hygge Investors K/S

c/o CBRE A/S
Rued Langgaards Vej 8
2300 København S
Denmark

CVR no. 41 96 49 79

Annual report 2024

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

30 June 2025

Jørn Jensen Holm
Chairman of the annual general meeting

Contents

Statement by the Executive Board	2
Independent Auditor's Report	3
Management's review	5
Company details	5
Financial statements 1 January – 31 December	6
Income statement	6
Balance sheet	7
Statement of changes in equity	9
Notes	10

Hygge Investors K/S
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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Hygge Investors K/S for the financial year 1 January – 31 December 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 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

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

Copenhagen, 30 June 2025

On behalf of General Partner Hygge GP ApS:

Jørn Jensen Holm

Per Alexandar Henrik
Glindtborg Weinreich

Kristian Nittka

Independent Auditor's Report

To the Shareholders of Hygge Investors K/S

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Hygge Investors K/S for the financial year 1 January – 31 December 2024, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("the Financial Statements").

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 Responsibilities 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 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.
- 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.

Independent Auditor's Report

- 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.

Hellerup, 30 June 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR no. 33 77 12 31

René Otto Poulsen
State Authorised
Public Accountant
mne26718

Henrik Hornbæk
State Authorised
Public Accountant
mne32802

Hygge Investors K/S
Annual report 2024
CVR no. 41 96 49 79

Management's review

Company details

Hygge Investors K/S
c/o CBRE A/S
Rued Langgaards Vej 8
2300 København S
Denmark

CVR no.:	41 96 49 79
Established:	18 December 2020
Registered office:	Copenhagen
Financial year:	1 January – 31 December

On behalf of General Partner Hygge GP ApS

Jørn Jensen Holm
Per Alexandar Henrik Glindtborg Weinreich
Kristian Nittka

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup
Denmark

Financial statements 1 January – 31 December

Income statement

DKK	Note	2024	2023
Gross loss		-1,037,734	-207,565
Other financial income	4	22,140,567	14,743,771
Impairment losses of financial assets		-34,866,579	-23,482,263
Other financial expenses	5	-17,833,935	-21,674,984
Loss before tax		-31,597,681	-30,621,041
Tax on profit/loss for the year		0	0
Loss for the year		-31,597,681	-30,621,041
Proposed distribution of loss			
Retained earnings		-31,597,681	-30,621,041
		-31,597,681	-30,621,041

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2024	31/12 2023
ASSETS			
Fixed assets			
Investments	6		
Equity investments in group entities		<u>195,881,045</u>	<u>219,280,840</u>
Total fixed assets		<u>195,881,045</u>	<u>219,280,840</u>
Current assets			
Receivables			
Receivables from group entities	7	218,769,441	211,438,784
Other receivables	8, 9	<u>2,422,669</u>	<u>6,573,526</u>
		<u>221,192,110</u>	<u>218,012,310</u>
Cash at bank and in hand		<u>2,234,840</u>	<u>5,979,833</u>
Total current assets		<u>223,426,950</u>	<u>223,992,143</u>
TOTAL ASSETS		<u><u>419,307,995</u></u>	<u><u>443,272,983</u></u>

Financial statements 1 January – 31 December

Balance sheet

DKK	Note	31/12 2024	31/12 2023
EQUITY AND LIABILITIES			
Equity			
Contributed capital		277,687,042	277,687,042
Retained earnings		<u>-77,847,771</u>	<u>-46,250,090</u>
Total equity		<u>199,839,271</u>	<u>231,436,952</u>
Liabilities			
Non-current liabilities			
Payables to group entities	10	<u>209,998,464</u>	<u>209,998,464</u>
Current liabilities			
Trade payables		9,428,668	1,727,696
Payables to group entities	10	0	109,871
Other payables		<u>41,592</u>	<u>0</u>
		<u>9,470,260</u>	<u>1,837,567</u>
Total liabilities		<u>219,468,724</u>	<u>211,836,031</u>
TOTAL EQUITY AND LIABILITIES		<u>419,307,995</u>	<u>443,272,983</u>
Principal activities	2		
Average number of full-time employees	3		
Currency and interest rate risks and the use of derivative financial instruments	9		
Related party disclosures	11		

Financial statements 1 January – 31 December

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 January 2024	277,687,042	-46,250,090	231,436,952
Transferred over the profit appropriation	0	-31,597,681	-31,597,681
Equity at 31 December 2024	277,687,042	-77,847,771	199,839,271

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Hygge Investors K/S for 2024 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.

The financial statements of 2024 are presented in DKK.

Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the company, and the value of the assets can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

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.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are recognised as other receivables and other payables, respectively.

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a fair value hedge of a recognised asset or liability are recognised in the income statement together with changes in the fair value of the hedged asset or liability.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of future transactions are recognised as other receivables or other payables and in equity until the realisation of the hedged transactions. If the future transaction results in the recognition of assets or liabilities, amounts that were previously recognised in equity are transferred to the cost of the asset or liability. If the future transaction results in income or costs, amounts that were previously recognised in equity are transferred to the income statement for the period when the hedged item affects the income statement.

For derivative financial instruments not qualifying for treatment as hedging instruments, changes in fair value are recognised in the income statement on an ongoing basis.

Income statement

Gross profit/loss

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit/loss.

Other operating income

Other operating income comprises items secondary to the activities of the Company.

Other external costs

Other external costs comprise administration costs.

Financial income and expenses

Financial income and expenses comprise interest income and expense and gains and losses on transactions denominated in foreign currencies.

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.

Tax on profit/loss for the year

The Company is a tax transparent entity and therefore not subject to corporate tax.

Balance sheet

Equity investments in group entities

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.

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

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 related to borrowings are recognised at the received proceeds. In following periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value by use of the effective interest. The difference between the proceeds and the nominal value is recognised in the profit and loss account during the term of the loan.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value.

Corporation tax and deferred tax

The Company is a tax transparent entity and therefore not subject to corporate tax.

Financial statements 1 January – 31 December

Notes

2 Principal activities

The purpose of the limited partnership is to own, develop, rent and manage real estate, directly and indirectly, as well as related business.

DKK	<u>2024</u>	<u>2023</u>
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3 Average number of full-time employees

Average number of full-time employees	<u>0</u>	<u>0</u>
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4 Other financial income

Interest income from group entities	15,736,161	14,388,342
Interest credit institutions	298,132	355,429
Dividend received from group entities	6,000,000	0
Other financial income	<u>106,274</u>	<u>0</u>
	<u>22,140,567</u>	<u>14,743,771</u>

Please refer to note 7 for further information regarding interest income from group entities.

5 Other financial expenses

Interest expense to group entities	15,736,161	14,426,770
Other financial costs	8,156	6,384
Fair value adjustments of financial instruments	<u>2,089,618</u>	<u>7,241,830</u>
	<u>17,833,935</u>	<u>21,674,984</u>

Please refer to note 10 for further information regarding interest expense to group entities and note 8 for further information regarding fair value adjustments of financial instruments.

Financial statements 1 January – 31 December

Notes

6 Investments

DKK	Equity investments in group entities
Cost at 1 January 2024	242,763,103
Additions for the year	11,466,784
Cost at 31 December 2024	254,229,887
Revaluations at 1 January 2024	-23,482,263
Revaluations for the year	-34,866,579
Revaluations 31 December 2024	-58,348,842
Carrying amount at 31 December 2024	195,881,045

Name/legal form	Registered office	Voting rights and ownership interest	Equity	Loss for the year
Subsidiaries:			DKK	DKK
Absalonsvej 7 ApS	København	100%	26,570,237	-4,888,348
Bakken, Horsens ApS	København	100%	31,256,088	-4,660,424
Gl. Hobrovej, Randers ApS	København	100%	28,138,176	-2,678,586
Gudenåparken Nord ApS	København	100%	23,058,989	-1,287,683
Gudenåparken Øst ApS	København	100%	9,948,195	-1,697,632
Herningvej 102, Silkeborg ApS	København	100%	33,480,697	-3,046,497
NS 1 ApS	København	100%	27,170,220	-34,993
Stadionvej, Kolding ApS	København	100%	21,968,425	-525,819
			<u>201,591,027</u>	<u>-18,819,982</u>

7 Receivables from group entities

DKK	2024	2023
Receivables from group entities	218,769,441	211,438,784

At current financial year, there is interest bearing loan from BSCH III DAC, West Street Real Estate Investment Partners Master S.a.r.l, West Street Real Estate Investment Partners Employee Fund Offshore Investment Aggregator SLP, West Street (I) Hygge, LLC and Rubik Properties ApS with maturity date 31 January 2027 to 15 November 2028. Loans bears a fixed interest rate of 4.04% to 9.02%. Interest receivable on the loans as at 31 December 2024 is DKK 8,770,977 (2023: DKK 208,004).

Financial statements 1 January – 31 December

Notes

8 Other receivables

Other receivables include interest rate cap with value as shown below:

DKK	31/12 2024
Fair value at 1 January 2024	6,573,526
Realised / settled during the year	-2,061,239
Fair value adjustment during the year	-2,089,618
Fair value at 31 December 2024	<u>2,422,669</u>

9 Currency and interest rate risks and the use of derivative financial instruments

The subsidiaries of the company have entered into borrowing arrangements with Nordea Kredit Realkreditaktieselskab, resulting in interest rate risk to the Group. The Group hedges interest rate risks by means of interest rate cap whereby any increase in the floating interest rates beyond the hedged threshold will be compensated. The fair value of the hedge is expected to be realized in future and will affect the results over the remaining term of the Cap.

	2024			Remaining term
	Aggregate Premium paid	Value adjustment recognised in equity	Fair value	
DKK				
Interest rate cap	<u>16,701,051</u>	<u>0</u>	<u>2,422,669</u>	<u>3 years</u>
	<u>16,701,051</u>	<u>0</u>	<u>2,422,669</u>	<u>3 years</u>

10 Non-current liabilities

DKK	2024		
	Total debt at 31/12 2024	Repayment, first year	Outstanding debt after five years
Payables to group entities	<u>209,998,464</u>	<u>0</u>	<u>0</u>
	<u>209,998,464</u>	<u>0</u>	<u>0</u>

At current financial year, there is interest bearing loan from BSCH III DAC, West Street Real Estate Investment Partners Master S.a.r.l, West Street Real Estate Investment Partners Employee Fund Offshore Investment Aggregator SLP, West Street (I) Hygge, LLC and Rubik Properties ApS with maturity date 31 January 2027 to 15 November 2028. Loans bears a fixed interest rate of 4.04% to 9.02%. Interest payable on the loans as at 31 December 2024 is DKK 8,770,977 (2023: DKK 208,004).

Financial statements 1 January – 31 December

Notes

11 Related party disclosures

Consolidated financial statements

Hygge Investors K/S is part of the consolidated financial statements of Hygge Top Investors K/S, c/o CBRE A/S, Rued Langgaards Vej 8, 2300 København S, which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Hygge Top Investors K/S can be obtained by contacting the Company at the address above.