20240717078 20

Årsredovisning

för

Svea Artilleri Löjtnant AB

559412-5873

Räkenskapsåret

2022-12-15 - 2023-12-31

Fastställelseintyg

Undertecknad styrelseledamot i Svea Artilleri Löjtnant AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 2024-06-28. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

Jag intygar också att innehållet i årsredovisningen och revisionsberättelsen stämmer överens med originalen.

Stockholm 2024-07-01

Oscar Ingelmark

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Årsredovisning

för

Svea Artilleri Löjtnant AB

559412-5873

Räkenskapsåret

2022-12-15 - 2023-12-31

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Styrelsen för Svea Artilleri Löjtnant AB avger följande årsredovisning för räkenskapsåret 2022-12-15 - 2023-12-31, vilket är företagets första verksamhetsår.

Årsredovisningen är upprättad i svenska kronor, SEK. Om inte annat särskilt anges, redovisas alla belopp i hela kronor (kr).

Förvaltningsberättelse

Information om verksamheten
Bolaget äger och förvaltar andelar i dotterbolag.

Företaget har sitt säte i Stockholm.

Väsentliga händelser under räkenskapsåret
Under året har bolaget förvärvat samtliga andelar i Svea Artilleri Löjtnant Holding AB, org.nr 559156-8455.

Förväntad framtida utveckling samt väsentliga risker och osäkerhetsfaktorer
Det generella konjunkturläget och dess inverkan på ränteläget under de närmaste åren är osäkerhetsfaktorer som kan påverka bolagets framtida utveckling, risk och resultat.

Ägarförhållanden
Bolaget är ett helägt dotterbolag till Pan European Value Added Venture II S.C.A. med organisationsnummer B224010 och säte i Luxembourg.

Flerårsöversikt (Tkr)	**2022/23** (13 mån)
Nettoomsättning	0
Balansomslutning	703 200
Soliditet (%)	97,1

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Förslag till vinstdisposition
Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	683 000 000
årets förlust	-348 588
	682 651 412
disponeras så att	
i ny räkning överföres	682 651 412
	682 651 412

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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Resultaträkning

	Not	2022-12-15 -2023-12-31 (13 mån)
Rörelsens kostnader		
Övriga externa kostnader	4	-530 159
		-530 159
Rörelseresultat		**-530 159**
Resultat från finansiella poster		
Övriga ränteintäkter och liknande resultatposter	5	184 057
Räntekostnader och liknande resultatposter		-2 486
		181 571
Resultat efter finansiella poster		**-348 588**
Resultat före skatt		**-348 588**
Skatt på årets resultat	3	0
Årets resultat		**-348 588**

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Balansräkning

	Not	2023-12-31
TILLGÅNGAR		
Anläggningstillgångar		
Finansiella anläggningstillgångar		
Andelar i koncernföretag	6	615 601 405
Fordringar hos koncernföretag	7	46 845 833
		662 447 238
Summa anläggningstillgångar		**662 447 238**
Omsättningstillgångar		
Kassa och bank		40 752 903
Summa omsättningstillgångar		**40 752 903**
SUMMA TILLGÅNGAR		**703 200 141**

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20240717707826

Balansräkning

	Not	2023-12-31
EGET KAPITAL OCH SKULDER		
Eget kapital		
Bundet eget kapital		
Aktiekapital		25 000
		25 000
Fritt eget kapital		
Balanserad vinst eller förlust		683 000 000
Årets resultat		-348 588
		682 651 412
Summa eget kapital		**682 676 412**
Långfristiga skulder	8	
Skulder till koncernföretag		20 262 384
Summa långfristiga skulder		**20 262 384**
Kortfristiga skulder		
Leverantörsskulder		42 344
Upplupna kostnader och förutbetalda intäkter		219 001
Summa kortfristiga skulder		**261 345**
SUMMA EGET KAPITAL OCH SKULDER		**703 200 141**

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Rapport över förändringar i eget kapital

	Aktie-kapital	Balanserat resultat	Årets resultat	Summa eget kapital
Inbetalt aktikapital	25 000			25 000
Aktieägartillskott		683 000 000		683 000 000
Årets resultat			-348 588	-348 588
Summa totalresultat	**25 000**	**683 000 000**	**-348 588**	**682 676 412**
Utgående eget kapital 2023-12-31	**25 000**	**683 000 000**	**-348 588**	**682 676 412**

Ej återbetalade villkorade aktieägartillskott uppgår per balansdagen till 663 000 000 kr.

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Kassaflödesanalys

	Not	2022-12-15 -2023-12-31 (13 mån)
Den löpande verksamheten		
Rörelseresultat		-530 159
Erhållen ränta		184 057
Erlagd ränta		-2 486
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**-348 588**
Kassaflöde från förändring av rörelsekapitalet		
Förändring av leverantörsskulder		42 344
Förändring av kortfristiga skulder		219 000
Kassaflöde från den löpande verksamheten		**-87 244**
Investeringsverksamheten		
Investeringar i finansiella anläggningstillgångar		-662 447 237
Kassaflöde från investeringsverksamheten		**-662 447 237**
Finansieringsverksamheten		
Upptagna lån		20 262 384
Inbetalt aktiekapital		25 000
Erhållna aktieägartillskott		683 000 000
Kassaflöde från finansieringsverksamheten		**703 287 384**
Årets kassaflöde		**40 752 903**
Likvida medel vid årets slut		**40 752 903**

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Noter

Not 1 Redovisnings- och värderingsprinciper

Allmänna upplysningar

Svea Artilleri Löjtant AB, organisationsnummer 559412-5873 är ett svenskt registrerat aktiebolag med säte i Stockholm. Årsredovisningen har godkänts för utfärdande av styrelsen och företagets resultat- och balansräkning kommer att framläggas för beslut om fastställelse på årsstämman.

Företaget har upprättat sin årsredovisning enligt årsredovisningslagen (1995:1554) och Rådet för finansiell rapporterings rekommendationer RFR2. Redovisning för juridiska personer. Rekommendationen innebär att företaget i årsredovisnignen för den juridiska personen ska tillämpa samtliga av EU godkända IFRS och uttalanden så långt detta är möjligt inom ramen för årsredovisningslagen och med hänsyn tagen till sambandet mellan redovisning och beskattning. De nedan angivna redovisningsprinciperna för företaget har tillämpats konsekvent på samtliga perioder som presenterats i företagets finansiella rapporter. Uppställningsformen för Resultat- och Balansräkning följer årsredovisningslagen (1995:1154).

Nya ändrade eller omarbetade standarder utgivna av IASB och uttalande från IFRIC som trätt i kraft 2023

Inga ändringar av strandarder och tolkningar har haft någon väsentlig effekt på företagets redovisning.

Standarder, ändringar och tolkningar som ännu inte trätt i kraft och som inte har tillämpats i förtid av företaget

Inga kommande ändringar av strandarder och tolkningar bedöms få någon väsentlig effekt på företagets redovisning.

Förutsättningar vid upprättande av företagets finansiella rapporter

Den funktionella valutan är svenska kronor och utgör presentationsvaluta i företaget. Samtliga belopp, om inte annat anges, är avrundade till närmaste krona. Företagets redovisningsprinciper har tillämpats konsekvent på rapportering. De viktigaste redovisningsprinciperna som används vid upprättande av företagets finansiella rapporter sammanfattas nedan.

Klassificering av tillgångar och skulder

Anläggningstillgångarna och långfristiga skulder i företaget består enbart av belopp som förväntas återvinnas eller betalas senare än 12 månader räknat från balansdagen. Omsättningstillgångarna och kortfristiga skulder i företaget består endast av belopp som förväntas återvinnas eller betalas inom tolv månader räknat från balansdagen.

Övriga kostnader

Övriga kostnader utgörs av företagsspecifika kostnader för bland annat företagsadministration. Därutöver ingår kostnader för administration av gemensam art såsom revision, upprättande av årsredovisning, IT med mera.

Finansiella intäkter och kostnader

Finansiella intäkter och kostnader består av ränteintäkter på bankmedel och fordringar samt räntekostnader på lån. Ränteintäkter och räntekostnader på fordringar respektive skulder beräknas genom tillämpning av effektivräntemetoden. Ränteintäkter resultatförs i den perioden de avser.
Utdelningsintäkter redovisas när utdelningen blivit fastställd och när rätten att erhålla betalning bedömts som säker. Räntekostnader inlkuderar periodiserade belopp av transaktionskostnader för att uppta lån.

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Ersättning till anställda
Bolaget har inte haft någon anställd personal under året.

Skatter
Inkomstskatter utgörs av aktuell skatt och uppskjuten skatt. Inkomstskatter redovisas i resultatet. Aktuell skatt är skatt som ska betalas eller erhållas avseende aktuellt år, med tillämpning av de skattesatser som är beslutade eller i praktiken beslutade per balansdagen. Hit förs även justering av aktuell skatt hänförlig till tidigare perioder.

Uppskjuten skatt beräknas enligt balansräkningsmetoden med utgångspunkt i temporära skillnader mellan redovisade och skattemässiga värden på tillgångar och skulder. Temporära skillnader som uppkommit vid första redovisningen av tillgångar och skulder som är tillgångsförvärv och som vid tidpunkten för transaktionen varken påverkar redovisat resultat eller skattemässiga resultat beaktas inte. Värderingen av uppskjuten skatt baserar sig på hur redovisade värden på tillgångar eller skulder förväntas bli realiserade eller reglerade. Uppskjuten skatt beräknas med tillämpning avde skattesatser och skatteregler som är beslutade eller i praktiken beslutade på balansdagen. Uppskjutna skattefordringar avseende avdragsgilla temporära skillnader och underskottsavdrag redovisas endast i den mån det är sannolikt att dessa kommer att kunna utnyttjas. Värdet på uppskjutna skattefordringar reduceras när det inte längre bedöms sannolikt att de kan utnyttjas.

Transaktioner med närstående
Alla transaktioner med närstående sker till marknadsmässiga priser.

Finansiella instrument
Finansiella instrument är varje form av avtal som ger upphov till en finansiell tillgång i ett företag och en finansiell skuld eller ett eget kapitalinstrument i ett annat företag. Finansiella instrument som redovisas i balansräkningen inkluderar på tillgångssidan likvida medel, kundfordringar samtfordringar hos koncernföretag. På skuldsidan återfinns skulder till kreditinstitut, skulder till koncernföretag samt leverantörsskulder.

Redovisning och borttagande
En finansiell tillgång eller finansiell skuld tas upp i balansräkningen när företaget blir part enligt instrumentets avtalsmässiga villkor. Hyresfordringar och kundfordringar tas upp i balansräkningen när faktura har skickats och företagets rätt till ersättning är ovillkorlig. Skuld tas upp när motparten har presterat och avtalsenlig skyldighet föreligger att betala, även om faktura ännu inte mottagits. Leverantörsskulder tas upp när faktura mottagits.

En finansiell tillgång och finansiell skuld kvittas och redovisas med ett nettobelopp i balansräkningen endast när det föreligger en legal rätt att kvitta beloppen samt att det föreligger avsikt att reglera posterna med ett nettobelopp eller att samtidigt realisera tillgången och reglera skulden. En finansiell tillgång tas bort från balansräkningen när rättigheterna i avtalet realiseras, förfaller eller när företaget förlorar kontrollen över dem. Detsamma gäller för del av en finansiell tillgång. En finansiell skuld tas bort från balansräkningen när förpliktelsen i avtalet fullgörs eller på annat sätt utsläcks. Detsamma gäller för del av en finansiell skuld. Vid varje rapporttillfälle utvärderar företaget om det finns objektiva indikationer på att en finansiell tillgång eller grupp av finansiella tillgångar är i behov av nedskrivning.

Vinster och förluster från borttagande ur balansräkning samt modifiering redovisas i resultatet.

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Klassificering och värdering
Med anledning av sambandet mellan redovisning och beskattning tillämpas inte reglerna om finansiella instrument enligt IFRS 9 i företaget som juridisk person, utan företaget tillämpar i enlighet med ÅRL anskaffningsvärdemetoden. I företaget värderas därmed finansiella anläggningstillgångar till anskaffningsvärde och finansiella omsättningstillgångar enligt lägsta värdets princip, med tillämpning av nedskrivning för förväntade kreditförluster enligt IFRS 9 avseende tillgångar som är skuldinstrument. För övriga finansiella tillgångar baseras nedskrivning på marknadsvärden.Baserat på företagets bedömningar utifrån framåtblickade faktorer bedöms förväntade kreditförluster inte vara väsentliga och ingen reservering har därför redovisats.

Finansiella skulder klassificeras till upplupet anskaffningsvärde med undantag av derivat. Finansiella skulder redovisade till upplupet anskaffningsvärde värderas initialt till verkligt värde inklusive transaktionskostnader. Efter det första redovisningstillfället värderas de till upplupet anskaffningsvärde enligt effektivräntemetoden.

Redovisade värden för finansiella tillgångar och skulder bedöms vara en rimlig uppskattning av det verkliga värdet.

Företaget tillämpar ej säkringsredovisning.

Andelar i koncernföretag
Andelar i koncernföretag värderas i moderföretaget enligt anskaffningsvärdemetoden. Erhållna utdelningar redovisas som intäkt oavsett om dessa härrör från vinstmedel som intjänats före eller efter förvärvet. I hänpelse av utdelningar som härrör från vinstmedel som intjänats före förvärvet görs en nedskrivningsprövning av andelarna.

Likvida medel
Likvida medel består av kassamedel samt omedelbart tillgängliga tillgodohavanden hos banker och motsvarande institut samt kortfristiga likvida placeringar med en löptid från anskaffningstidpunkten understigande tre månader. Likvida medel omfattas av kraven på förlustreservering för förväntade kreditförluster.

Aktieägartillskott
Aktieägartillskott förs direkt mot eget kapital hos mottagaren och aktiveras i aktier och andelar hos givaren, i den mån nedskrivning ej erfordras.

Eventualförpliktelser
En eventualförpliktelse redovisas när det finns ett möjligt åtagande som härrör från inträffade händelser och vars förekomst bekräftas endast av en eller flera osäkra framtida händelser eller när det finns ett åtagande som inte redovisas som en skuld eller avsättning på grund av att det inte är troligt att ett utflöde av resurser kommer att krävas.

Kassaflödesanalys
Kassaflödesanalysen har upprättats enligt indirekt metod, vilket innebär att rörelseresultatet justerats för transaktioner som inte medfört in- eller utbetalningar under perioden samt för eventuella intäkter och kostnader som hänförs till investeringsverksamhetens kassaflöden. Kassaflödesanalysen ska utvisa företagets in- och utbetalningar under perioden där betalningarna hänförs till löpande verksamhet, investeringsverksamhet eller finansieringsverksamhet.

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Nyckeltalsdefinitioner
Nettoomsättning
Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar.

Balansomslutning
Företagets samlade tillgångar.

Soliditet (%)
Justerat eget kapital (eget kapital och obeskattade reserver med avdrag för uppskjuten skatt) i procent av balansomslutning.

Not 2 Finansiell riskhantering och finansiella intrument
Företaget är genom sin verksamhet. exponerad för olika slags finansiella risker. Med finansiella risker avses finansieringsrisk, likviditetsrisk, ränterisk, valutarisk och kreditrisk. Företagets riskexponering ska vara begränsad vad val av avtalsvillkor, finansieringsvillkor samt affärspartners.

Finansieringsrisk
Med finansieringsrisk avses risken att finansiering inte alls kan erhållas, eller endast till ofördelaktiga villkor. Genom att ha tillgång till många kreditgivare och kreditkällor begränsas finansierings- och refinansieringsrisken.

Likviditetsrisk
Med likviditetsrisk avses risken att sakna tillräckligt med likvida medel för att kunna fullfölja företagets betalningsåtaganden. Varje månad upprättas interna likviditetsprognoser för kommande tolv månader, där samtliga kassaflödespåverkande poster analyseras på företagsnivå. Syftet med likviditetsprognosen är att verifiera behovet av kapital. Företagets likvida medel uppgick per den 31 december 2023 till 40 753 tkr.

Ränterisk
Med ränterisk avses exponeringen för förändringar i marknadsräntor och kreditmarginaler. Ränterisk avser risk för att förändringar i ränteläget påverkar företagets upplåningskostnad. Ränterisk kan dels bestå av förändringar i kassaflöde, det vill säga en kassaflödesrisk. En betydande faktor som påverkar ränterisken är räntebindningstiden. Långa räntebindningstider påverkar främst kassaflödesrisken medan kortare räntebindningstider påverkar prisrisken.

Hantering av företagets ränteexponering är centraliserad, vilket innebär att den centrala finansfunktionen ansvarar för att identifiera och hantera denna exponering. För att begränsa risken utvärderar företaget löpande bland annat räntetäckningsgraden. Varje kvartal upprättas även interna prognoser för räntan de kommande tolvmånaderna. Syftet med prognoserna är att analysera hur förändringar i marknadsräntan påverkar företaget.

Valutarisk
Med valutarisk avses risken för negativ påverkan på företagets resultat- och balansräkning tilföljd av förändrade valutakurser. Valutarisken är mycket begränsad, då företaget inte har några tillgångar eller skulder i utländsk valuta.

Kreditrisk
Med kreditrisk avses risken för förlust om motparten inte fullföljer sina åtaganden.
Tillgångarnas maximala kreditrisk utgörs av nettobeloppen av de redovisade värdena av 40 753 tkr.
Företaget har inte erhållit några ställda säkerheter för de finansiella nettotillgångarna.

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Not 3 Aktuell och uppskjuten skatt

	2022-12-15 -2023-12-31
Skatt på årets resultat	
Aktuell skatt	0
Totalt redovisad skatt	**0**

Avstämning av effektiv skatt

		2022-12-15 -2023-12-31
	Procent	**Belopp**
Redovisat resultat före skatt		-348 588
Skatt enligt gällande skattesats	20,60	71 809
Underskottsavdrag		-71 809
Redovisad effektiv skatt	**0,00**	**0**

Not 4 Övriga externa kostnader

Koncerninterna inköp uppgår till 0 kr.

Not 5 Övriga ränteintäkter och liknande resultatposter

Tillgångar och skulder värderade till upplupet anskaffningsvärde

	2022-12-15 -2023-12-31
Ränteintäkter från koncernföretag	0
Övriga ränteintäkter	-181 571
	-181 571

De finansiella tillgångar som omfattas av reservering för förväntade kreditförluster enligt den generella metodenutgörs av likvidamedel,koncerninternafordringar och övrjgafordringar.Bolaget tillämpar en rating baserad metod i kombination med annan känd information och framåtblickande faktorer för bedömning av förväntade kreditförluster. Bolaget har definierat fallissemang som då betalningav fordran är 90 dagar försenad eller mer, eller om andra faktorer indikerar att betalningsinställelse föreligger. Väsentlig ökning av kreditrisk har per balansdagen inte bedömts föreligga för någon fordran eller tillgång. Sådan bedömning baseras på orn betalning är 30 dagar försenade eller rner, eller om väsentlig försämring av rating sker, medförande en rating understigande investmentgrade. I de fall beloppen inte bedöms vara oväsentliga redovisas en reserv för förväntade kreditförluster även för dessa finansiella instrument.

Bolaget har bedömt att förväntade kreditförluster inte varit av väsentlig karaktär, varav ingen reservering har gjorts.

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Not 6 Andelar i koncernföretag

	2023-12-31
Ingående anskaffningsvärden	0
Inköp	55 287 810
Lämnade aktieägartillskott	552 327 443
Aktiverade kostnader	7 986 152
Utgående ackumulerade anskaffningsvärden	**615 601 405**
Utgående redovisat värde	**615 601 405**

Specifikation av företagets direktägda dotterföretag framgår nedan:

Dotterföretag/ Org nr/ Säte	Antal andelar	i %	Redovisat värde
Svea Artilleri Löjtnant Holding AB, 559156-8455, Stockholm	1 000	100	615 601 405

Ägarandelenav kapitalet avses, vilket även överensstämmer med andelen av rösterna för totalt antal aktier.

Not 7 Fordringar hos koncernföretag

	2023-12-31
Ingående anskaffningsvärden	0
Tillkommande fordringar	46 845 833
Utgående ackumulerade anskaffningsvärden	**46 845 833**
Utgående redovisat värde	**46 845 833**

Not 8 Långfristiga skulder

	2023-12-31
Skulder som ska betalas senare än 5 år efter balansdagen	0
	0

Not 9 Koncernuppgifter

Bolaget upprättar inte koncernredovisning med hänvisning till ÅRL 7:2.
Bolaget och dess dotterbolag ingår i koncernredovisning som upprättas av Pan European Value Added Venture II S.C.A. med organisationsnummer B224010 och säte i Luxembourg.

DocuSign Envelope ID: CADA0D49-1AA4-45F3-93F7-81AA02E07C35

20240717078335

Not 10 Ställda säkerheter och eventualförpliktelser

Bolaget har inga eventualförpliktelser.

	2023-12-31
Säkerheter ställda till förmån för koncernföretag	
Borgensåtagande	400 000 000
	400 000 000

Not 11 Väsentliga händelser efter räkenskapsårets slut

Under 2024 förväntas en omvänd fusion där dotterbolaget, Svea Artilleri Löjtnant Holding AB, org.nr 559156-8455, kommer att fusioneras med sitt dotterbolag Fastighets AB Knall, org.nr 556649-7557. Efter fusionen kommer Fastighets AB Knall, org.nr 556649-7557, vara dotterbolag till Svea Artilleri Löjtnant AB.

Den dag som framgår av min elektroniska underskrift

DocuSigned by:
74316AD2ABCE4EE...
Oscar Ingelmark
Ordförande

DocuSigned by:
Daan Oort
F00043819D4D49A...
Daan Oort

Vår revisionsberättelse har lämnats den dag som framgår av min elektroniska underskrift

Mazars AB

DocuSigned by:
913D3CD2761D4A8...
Asa Andersson Eneberg
Auktoriserad revisor

DocuSign

Certificate Of Completion

Envelope Id: CADA0D491AA445F393F781AA02E07C35 Status: Completed

Subject: Complete with Docusign: 240626 AR Svea Artilleri Löjtnant AB FY2023 final.pdf

Source Envelope:

Document Pages: 15 Signatures: 3 Envelope Originator:

Certificate Pages: 6 Initials: 0 Dominika Knecht

AutoNav: Enabled dominika.knecht@intertrustgroup.com

EnvelopeId Stamping: Enabled IP Address: 20.61.29.115

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

20240717078836

Record Tracking

Status: Original Holder: Dominika Knecht Location: DocuSign

6/27/2024 1:05:27 AM dominika.knecht@intertrustgroup.com

Signer Events

Daan Oort

daan.oort@axa-im.com

Security Level: Email, Account Authentication (None), Digital Certificate

Signature Provider Details:

Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)

Signature Issuer: DocuSign Cloud Signing CA - SI1

Signature

DocuSigned by:

Daan Oort

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Signature Adoption: Pre-selected Style

Using IP Address: 158.43.114.210

Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02

Timestamp

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Viewed: 6/27/2024 3:22:25 AM

Signed: 6/27/2024 3:22:35 AM

Authentication Details

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Workflow Name: DocuSign ID Verification for EU Advanced
Workflow Description: The recipient will need to identify themselves with a valid government ID.
Identification Method: Government Issued Id Document
Type of Document: Driver's License
Identification Level: ID Only
Transaction Unique ID: 3e8b7074-800b-5ecb-b1a5-837838a2c9b8
Country or Region of ID: NL
Result: Passed
Performed: 6/27/2024 3:21:57 AM

Electronic Record and Signature Disclosure:

Accepted: 6/27/2024 3:22:25 AM
ID: c2e9cbdf-b7b8-4907-93ed-eb4e05a26412

Oscar Ingelmark

oscar.ingelmark@intertrustgroup.com

Director

Security Level: Email, Account Authentication (None), Digital Certificate

Signature Provider Details:

Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)

Signature Issuer: DocuSign Cloud Signing CA - SI1

DocuSigned by:

74315A02ABCE4EE...

Signature Adoption: Uploaded Signature Image

Using IP Address: 20.61.29.115

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Viewed: 6/27/2024 4:25:03 AM

Signed: 6/27/2024 4:25:18 AM

Authentication Details

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Workflow Name: DocuSign ID Verification for EU Advanced
Workflow Description: The recipient will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
Transaction Unique ID: 64032f80-afab-5187-9221-12927c4f1373
Country or Region of ID: SE
Result: Passed
Performed: 6/27/2024 3:55:45 AM

20240717077837

Signer Events	Signature	Timestamp

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Workflow Description: The recipient will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
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Country or Region of ID: SE
Result: Passed
Performed: 6/27/2024 4:24:49 AM

Electronic Record and Signature Disclosure:
Accepted: 6/27/2024 4:25:03 AM
ID: a8be0161-0202-459a-9961-ff77211c5059

Åsa Andersson Eneberg asa.andersson@mazars.se Security Level: Email, Account Authentication (None), Digital Certificate	DocuSigned by: Åsa Andersson Eneberg 913D3CD2761D4A8...	Sent: 6/27/2024 4:25:20 AM Viewed: 6/27/2024 7:00:14 AM Signed: 6/27/2024 7:00:46 AM

Signature Provider Details:
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Signature Issuer: DocuSign Cloud Signing CA - SI1

Signature Adoption: Drawn on Device
Using IP Address: 217.16.197.190

Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02

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Workflow Description: The recipient will need to identify themselves with a valid government ID.
Identification Method: Electronic ID
Type of Electronic ID: BankID Sweden
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Country or Region of ID: SE
Result: Passed
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Electronic Record and Signature Disclosure:
Accepted: 6/27/2024 7:00:14 AM
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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	**Status**	**Timestamp**
Agent Delivery Events	**Status**	**Timestamp**
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Johan Partheen johan.partheen@intertrustgroup.com Security Level: Email, Account Authentication (None)	COPIED	Sent: 6/27/2024 1:13:04 AM

Electronic Record and Signature Disclosure:
Accepted: 6/27/2024 2:58:20 AM
ID: a1297c1d-31a5-4add-9032-3e7f22b51921

Witness Events	Signature	Timestamp
Notary Events	**Signature**	**Timestamp**

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/27/2024 1:13:04 AM
Certified Delivered	Security Checked	6/27/2024 7:00:14 AM
Signing Complete	Security Checked	6/27/2024 7:00:46 AM
Completed	Security Checked	6/27/2024 7:00:46 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

20240717078838

20240717070842

REVISIONSBERÄTTELSE

Till bolagsstämman i Svea Artilleri Löjtnant AB
Org. nr 559412-5873

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Svea Artilleri Löjtnant AB för räkenskapsåret 2022-12-15 - 2023-12-31.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Svea Artilleri Löjtnant AB:s finansiella ställning per den 2023-12-31 och av dess finansiella resultat och kassaflöde för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Svea Artilleri Löjtnant AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som de bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. De upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller på misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller på misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Penneo dokumentnyckel: 2K111-U8M88-M6186-S04BD-XNX4P-GWMML

20240711707843

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Svea Artilleri Löjtnant AB för räkenskapsåret 2022-12-15 - 2023-12-31 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till Svea Artilleri Löjtnant AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat om förslaget är förenligt med aktiebolagslagen.

Vår revisionsberättelse har lämnats i Malmö den dag som framgår av vår elektroniska underskrift.

Mazars AB

Åsa Andersson Eneberg
Auktoriserad revisor

Penneo dokumentnyckel: 2K111-U8M88-M6186-504BD-XNX4P-GWNML

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"Med min signatur bekräftar jag innehållet och alla datum i detta dokumentet."

Åsa Andersson Eneberg
Revisor
På uppdrag av: Mazars AB
Serienummer: 33b12600b17892[...]e2e89acdb6740
IP: 217.16.xxx.xxx
2024-06-27 14:01:23 UTC

BankID

Penneo dokumentnyckel: 2K11-U8M88-M6186-S04BD-XNX4P-GWMML

20240711707844

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AXA IM management of ESG-related financial risks

AXA IM uses an approach to manage ESG-related financial risks (or "sustainability risks") that is derived from the integration of ESG criteria in its research and investment processes. We have implemented a framework to integrate sustainability risks in investment decisions based on sustainability factors which relies notably on:

- **Sectoral and normative exclusions policies** covering climate (coal mining and coal-based energy production; oil sands production and oil sands-related pipelines; shale and tight oil & gas; arctic oil & gas), biodiversity (ecosystem protection and deforestation) and soft commodities (food commodities derivatives), health (tobacco producers), labor, society and human rights (violations of international norms and standards[16]; controversial weapons manufacturing; white phosphorus weapons producers; exclusion of investments in securities issued by countries where serious violations of Human rights are observed);

Investors should note that exclusion policies have limited application for real estate assets.

- **ESG scoring methodologies**:
  - AXA IM has implemented scoring methodologies to rate issuers and real assets on ESG criteria.
  - The ESG rating for Direct Real Estate assets has been developed around 3 pillars: Environment (E), Social (S) and Governance (G), each covered by dedicated indicators. The assessment is linked to the performance of a building over a defined period and therefore takes into account criteria that can be measured at the asset level. All E, S and G pillars are linked to the building itself or to its management method and are defined to allow the evaluation of any type of physical real estate asset, regardless of its asset class (residential, office, hotel, etc.).
  - The ESG rating is a tool developed by AXA IM and has been constructed in line with regulation and industry benchmarks requirements, such as BREEAM-in-use and GRESB, in order to integrate the expectations of AXA IM's main stakeholders and to guarantee the coherence of the actions carried out at asset level. For quantitative questions related to energy and water consumption, the rating uses actual consumption data collected by the property managers in the data management platform. AXA IM Alts does not currently use sector averages or estimates to assess the ESG performance of its assets.
  - AXA IM intends to bring minor updates to the rating methodology, to continue adapting it to leverage on ESG benchmark data improved maturity and availability, improve relevance of some answers to better adapt to market requirements evolution, better address non-EU countries specificities and optimize the process through greater automation.
  - These ESG scores provide a standardized and holistic view on the performance of Real Estate assets on ESG factors and enable to further incorporate ESG risks and opportunities in the investment decision.

This framework helps us to ensure we consider how sustainability impacts on the development, performance, or position of an asset, as well as having material effects on the financial value in a broad sense (financial materiality). It also helps us to assess the external impacts of an asset's activities on ESG factors (ESG materiality).

This framework is complemented with:

- **ESG KPIs:** Investment teams have access to a wide range of extra-financial data and analysis on ESG factors, across asset classes.
- **Stewardship strategy[17]:** We adopt an active approach to stewardship by using our scale as a global investment manager to influence tenant and market practices. In doing so, we strive to reduce investment risk and enhance returns as well as drive positive impacts for our society and the environment. These are key to achieving sustainable long-term value creation for our clients.

If such sustainability risks materialize in respect of any investment, they may have a negative impact on the financial performance of the relevant investment. AXA IM does not guarantee that the investments are not subject to sustainability risks to any extent and there is no assurance that the sustainability risks assessment will be successful at capturing all sustainability risks at any point in time. Investors should be aware that the assessment of the impact of sustainability risks on the performance is difficult to predict and is subject to inherent limitations such as the availability and quality of the data.

The detailed approach to take into account ESG risks into risks management processes applied by AXA IM and, by extension, by the fund, pursuant to the implementation decree of Article 29 of the LEC is described in the AXA IM annual Climate Report (TCFD – Article 29 LEC combined report)[18]: Policies and reports | AXA IM Corporate (axa-im.com)

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[16] UN's Global Compact Principles, International Labor Organization's (ILO) Conventions, OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (UNGPs).

[17] See AXA IM's Stewardship & Engagement policies: Stewardship & Engagement | Responsible Investing | AXA IM Corporate (axa-im.com). This policy does not apply to real estate assets.

[18] This includes AXA IM's ESG risk management framework, impact of ESG factors on returns, and climate transition and physical risks assessment (incl. value-at-risk analysis for 1.5°C, 2°C and 3°C scenarios, using MSCI's Climate VaR methodology): see sections 8. "Risk management" and 6.5 "Climate dashboard" of the 2022 AXA IM Climate report.

20241004037784

- Increase understandings of biodiversity impacts on economic activities;
- Integrate risk and opportunities associated with biodiversity in our investment decision and asset management priorities;
- Drive capital flows towards solving biodiversity loss impacts.

Exclusions

AXA IM has been applying a palm oil exclusion policy on all its AUM since 2014 excluding investments that have negative impacts on forest, natural ecosystems, and local communities. In 2021, AXA IM extended this policy to cover investments incorporating significant land use controversies and responsible for biodiversity loss in relation to soy, cattle, and timber. Faced with these consequences, AXA IM actively pursues a rigorous policy as part of its forest investments in selecting its assets, its forest management partners, and in adapting management practices to meet these global challenges. Investors should note that exclusion policies have limited application for real estate assets.

Metrics

We work in close collaboration with data providers, in particular Iceberg Data Lab (IDL), to support the development of biodiversity-related metrics. We currently pilot a corporate biodiversity footprint (CBF) that measures negative impact in terms of biodiversity loss associated with the pressure on biodiversity generated by corporate investees' economic activities across their value chain. The pressures relate to drivers of biodiversity loss identified by IPBES. The CBF currently covers pressures related to land use change, GHG emissions, water and air pollution. As an innovative and relatively new metric, the CBF is still evolving and is subject to planned methodological improvements such as, for example, greater coverage of pressures. Other biodiversity-related metrics are under development by IDL such as dependencies and positive impacts. We continue to be involved in such advancements.

AXA IM is working on pilot projects to test biodiversity metrics applicable to the direct real estate. In 2023, AXA IM participated to a UN pilot on TNFD (Task Force on Related-Financial Disclosure) reporting, in collaboration with AXA Climate. The objective was to test different methodologies that can help companies assess their biodiversity footprint. Together, we explored how our assets interact with their environments, what are the key material issues for the real estate sector and what nature-based scenarios look like. During this pilot, we focused on the first two parts of the LEAP approach: Locate and Evaluate, on a sample of circa 250 assets. While the Locate part focused on identifying assets located in water stressed and biodiversity rich areas, the Evaluate part measured our main nature-related dependencies and impacts per activity. Based on this first assessment, AXA IM plans to extend such analysis in 2024 to better understand real estate equity portfolio biodiversity impacts and better inform decision making.

Initiatives[10]

AXA IM conducts constructive discussions on biodiversity topics with WWF, CDP, Ceres, and other external experts. In 2022, AXA IM became member of two collaborative engagement initiatives described above: the Investor Initiative on Hazardous Chemicals supported by ChemSec[11]; and collaborative engagement on Waste & Pollution led by FAIRR[12]. In 2023, we joined the Emerging Markets Investor Alliance where we are a member of the Consumer Staples working group that undertakes advocacy to support sustainable and transparent best practices in emerging markets on various topics including deforestation. Moreover, we are a part of Nature Action 100 (NA100), a key initiative expected to raise global biodiversity momentum even higher. NA100 was operationally launched in September 2023. AXA IM was a member of the launching investor group, and is currently a member of the steering group. NA100 seeks to engage companies in key sectors deemed to be systemically important in reversing nature and biodiversity loss by 2030. AXA IM also continues to participate actively in the sector-leading initiatives by the Finance for Biodiversity Foundation[13], the organisation behind the Finance for Biodiversity Pledge[14].

In November 2023, AXA IM participated to a roundtable organise by the ULI Greenprint programme, to exchange with peers on biodiversity measurement and reporting approach for real estate. In addition, direct real estate ESG rating proprietary methodology was updated to further integrate biodiversity in the assessment. Since 2021, a biodiversity criteria inspired from certification approach was introduced as a test (not rated). Using feedback from this pilot, we intend to introduce 2 new questions (with a total weighting of 4%) in the assessment end 2023. As from 2023 assessment, all buildings should be assessed on the two following aspects: if a biodiversity assessment was conducted and which biodiversity measures have been deployed.

The detailed biodiversity strategy applied by AXA IM and, by extension, by the fund, pursuant to the implementation decree of Article 29 of the LEC is described in the AXA IM annual Climate Report (TCFD – Article 29 LEC combined report)[15]: Policies and reports | AXA IM Corporate (axa-im.com)

As such, it should be noted that AXA IM has not yet set any 2030 quantitative target for biodiversity as requested by the implementation decree of Article 29 of the LEC, as market-based guidance for setting targets aligned with the aims of the Global Biodiversity Framework remain under development, and we still lack related market-based methodological developments to measure the alignment of investment strategies with the global mid- and long-term goals.

[10] While these initiatives are being implemented at AXA IM level globally, it should be noted that they have inherent limitations for certain asset classes
[11] See press release: Investors with $8 trillion call for phase-out of dangerous "forever chemicals" – ChemSec
[12] See: Biodiversity Loss from Waste & Pollution - FAIRR
[13] AXA IM chairs the Finance for Biodiversity Foundation's Biodiversity Impact Metrics working group and actively participates in the Engagement working group.
[14] Finance for Biodiversity Pledge: https://www.financeforbiodiversity.org/signatories/
[15] This includes the funds where a specific biodiversity strategy is applied, and the related impact measurement: see sections 7. "Biodiversity strategy" and 7.3 "Introducing biodiversity-specific indicators" of the 2022 AXA IM Climate report.

Annex to periodic reports for products covered by Art.29 LEC (unaudited)

Pursuant to Article 29 of the French Law n°2019-1147 on November 8, 2019 ("Loi énergie-climat" – or LEC), AXA IM's climate and biodiversity strategies and approach to ESG risks are presented in the paragraphs below.

AXA IM Climate strategy

As a founding investor of the Net Zero Asset Managers (NZAM) initiative launched in December 2020, AXA IM is committed to work in partnership with asset owner clients on decarbonisation goals, consistent with an ambition to reach net zero emissions [1] across our portfolios by 2050 or sooner, as well as playing a key role in helping our clients better understand climate change and how it may impact their portfolios and support them in adapting their investment decisions accordingly. As direct Real Estate Asset Manager, it is also our responsibility to engage with tenants to ensure we maintain open channels that can enable improved behaviours in building use to the benefit of society and the planet.

Our Climate strategy is aligned with the frameworks proposed by the Task Force on Climate-related Financial Disclosures (TCFD), the Institutional Investor Group on Climate Change (IIGCC) and the Paris Aligned Investment Initiative (PAII) coordinated by the IIGCC, and is evidenced by our active involvement international initiatives such as Climate Action 100+ (CA 100+) or the Climate Bonds Initiative. It consists in:

- **Net Zero Targets[2]:**
  - AXA IM published its first net zero target in October 2021, as part of the first NZAM progress report[3]. This target was subsequently revised in April 2022[4], and covers 65% of AXA IM total AUM at end of 2022[5].
  - Specific Net zero frameworks for Listed Corporates (Fixed Income and Listed Equity), Sovereigns, and directly managed Real Estate asset classes which follows industry standards[6] considering internal and external information have been set and allow to determine the Net zero profile of our investments.

- **Stewardship[7]:**
  - Engagement and continued dialogue with companies, clients and tenants are crucial to influencing the net zero trajectories. As for tenants, we target to progressively embed ESG clause in all new lease signed or renewal covering data sharing, asset certification or energy efficiency measures implementation, when possible. We also monitor tenant satisfaction through annual surveys conducted each year on a sample of assets and require our Property Managers to conduct green committees to share key ESG information.

- **Exclusions:** we exclude investments which fail to meet certain climate change criteria, focusing in particular on coal, as well as unconventional oil & gas. Our investment portfolios exclude coal-based electric power generating utilities and coal mining assets that are not credibly demonstrating a commitment to energy transition. Since early 2022 we also exclude companies in the unconventional oil & gas sector focusing in particular on tar sands, arctic and shale. More recently, since April 2023, we have tightened multiple exclusion criteria on coal, oil & gas, i) putting a stricter exclusion threshold to companies generating more that 15% of revenues from thermal coal mining and/or power generation (against 30% before), ii) excluding all companies with new coal mining or power generation projects or expansion plans, and iii) putting a stricter exclusion threshold to companies generating more than 5% of revenues from oil sands production (against 20% before). The exclusion threshold based on coal revenues is also planned to be reduced at 10% starting 2026 in OECD countries as part of our commitment to exit from coal by 2030 in OECD countries, and we are committed to exit all coal investments in OECD countries by the end of this decade, and throughout the rest of the world by 2040. This commitment will be implemented over time, using exclusion but also engagement approaches. Investors should note that exclusion policies have limited application for real estate assets.

- **Transparency:** since 2022, the ESG reporting available for our Article 8 and Article 9 products include an enhanced climate section, detailing historic metrics (carbon intensity for scope 1 and 2 as well as upstream scope 3).

The detailed climate strategy applied by AXA IM and, by extension, by the fund, pursuant to the implementation decree of Article 29 of the LEC is described in the AXA IM annual Climate Report (TCFD – Article 29 LEC combined report)[8]: Policies and reports | AXA IM Corporate (axa-im.com)

AXA IM Biodiversity strategy[9]

AXA IM is engaged to protect biodiversity. We have strengthened our strategy to better integrate the challenges relating to biodiversity protection in our investment process and fundamental research. As an investor we consider that we have a role to play to:

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[1] "Our road to net zero", AXA Investment Managers, https://www.axa-im.com/who-we-are/our-road-net-zero
[2] AXA IM has set an initial milestone of 25% reduction by 2025 compared to 2019 at the entity-level, and will soon set a 2030 climate target, in line with our 2050 net zero target: see sections 6. "Climate strategy" of the 2022 AXA IM Climate report.
[3] See NZAM 2021 progress report, December 2021: NZAM-Progress-Report.pdf (netzeroassetmanagers.org)
[4] See NZAM initial target disclosure report, May 2022: NZAM-Initial-Target-Disclosure-Report-May-2022-1.pdf (netzeroassetmanagers.org)
[5] These objectives are not currently implemented to other alternative asset classes (i.e., Alternative credit, and Structured finance).
[6] The Task Force on Climate-related Financial Disclosures (TCFD) recommendations on metrics and targets, the IIGCC's Net Zero Investment Framework, the Carbon Risk Real Estate Monitor (CRREM) decarbonisation pathways and the Germanwatch's Climate Change Performance Index (CCPI).
[7] See AXA IM's Stewardship & Engagement policies: Stewardship & Engagement | Responsible Investing | AXA IM Corporate (axa-im.com). This policy does not apply to real estate assets.
[8] This includes the entire scope of AXA IM climate strategy: its quantitative targets (both at the entity level and for each main asset class), their time horizons, the underlying metrics and baselines: see sections 6. "Climate strategy" of the 2022 AXA IM Climate report.
[9] While this biodiversity strategy is being implemented at AXA IM level globally, it should be noted that it has inherent limitations for certain asset classes.

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NOTE 25 - AIFM DISCLOSURES (UNAUDITED) (CONTINUED)

25.10 Information regarding the remuneration policy statement (continued)

The central and independent assessment of compliance of the implementation of the Global Remuneration Policy with the procedures and policies adopted by the AXA IM Group is carried out by the Internal Audit Department of the AXA IM Group which presents its conclusions each year to the AXA IM Remuneration Committee to enable it to carry out its due diligence.

These conclusions did not make any particular remarks regarding the compliance of the implementation of the Global Remuneration Policy.

The result of the annual review of the AXA IM Remuneration Committee is presented to the Board of Directors of AXA REAL ESTATE INVESTMENT MANAGERS SGP (hereinafter "AXA REIM SGP") as well as the modifications made to the Global Compensation Policy.

These modifications mainly concern (i) the reminder of the absence of a sales objective which could directly impact the fixed or variable remuneration of the employees concerned (ii) the strengthening of governance governing the principle of fairness and equality of gender, (iii) specific adjustments to certain AXA IM group entities based on specific regulatory requirements and (iv) minor updates.

Quantitative information – The figures provided below concern AXA Investment Managers for all subsidiaries of the AXA Investment Managers Group and all types of investment vehicles combined for the financial year ending December 31, 2023. The amounts relating to remuneration were applied a weighted distribution key to the assets under management of the fund.

	Total amount of remuneration paid and/ or awarded to staff for the year ended December 31, 2023 (1)
Fixed Pay (2) (millions EUR)	288.768
Variable Pay (3) (millions EUR)	179.634
Number of employees (4)	2.808

"(1) Information on remuneration does not include social charges, after application of a weighted distribution key for the fund's assets under management.

(2) Fixed remuneration consists of the base salary and all other fixed remuneration components paid to all AXA Investment Managers staff as of January 1, 2023.

(3) Variable remuneration, composed of discretionary, immediate and deferred variable salary elements, includes:
- the amounts allocated in respect of the performance of the previous year and fully paid during the financial year under review (non-deferred variable remuneration),
- the amounts allocated for the performance of previous years and the financial year under review (deferred variable remuneration),
- and long-term incentives put in place by the AXA Group.

(4) The total number of employees corresponds to the average workforce including permanent contracts, fixed-term contracts and internship agreements as of December 31, 2023.

Total number of employees concerned within the AXA Investment Managers Group as of December 31, 2023. Note that in previous years the number of employees concerned at the start of the period was used.

Additional information for Swiss Investors

Swiss Representative: FIRST INDEPENDENT FUND SERVICES LTD, Feldeggstrasse 12, CH-8008 Zurich.
Swiss Paying Agent: NPB New Private Bank Ltd., Limmatquai 1/am Bellevue, P.O.Box, CH-8024 Zurich.
The Memorandum, the Investment and Shareholders Agreement, the Articles and the annual reports of the Fund may be obtained free of charge from the Swiss Representative.
In respect of the Shares offered in Switzerland to Qualified Investors, the place of performance is at the registered office of the Swiss Representative.
The place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or place of residence of the investor.
The Fund may only be offered in Switzerland to qualified investors within the meaning of Article 10 CISA.
The country of domicile of the Fund is Luxembourg"

Aggregate amount of compensation paid and/or awarded to employees and other senior executives whose activities have a substantial impact on the risk profile of managed portfolios (1)

	Employees with a direct impact on the risk profile of investment vehicles	**Executives**	**Total**
Fixed and variable compensation (in thousands of euros) (2) (3)	101.138 x partition key =	45.209 x partition key =	146.347 x partition key =
Number of employees concerned (5)	277 including 18 for AXA Real Estate Investment Managers SGP, fund management company	62 including 2 for AXA Real Estate Investment Managers SGP, fund management company	339 including 20 for AXA Real Estate Investment Managers SGP, fund management company

NOTE 25 - AIFM DISCLOSURES (UNAUDITED) (CONTINUED)

25.6. Investment risk monitoring

At AXA REIM SGP, the monitoring and management of risk is a shared responsibility between the Management team, and the Risk and Compliance departments to enable a better identification, measure and control of risk.

The risk monitoring processes include:

- Ensuring the risk levels are in line with the established management strategy;
- Assessing the risk related to specific management decisions (investments and divestments);
- Identifying all the types of investment risk and allocating them to relevant risk indicators (KRI), allowing to measure the levels of risk for each portfolio;
- Running stress tests to evaluate the impact of changes in the market and the fund's liquidity conditions. The elements assessed by the stress tests include potential redemptions, the investment policy, constraints regarding the time needed to liquidate the assets, and information related to important movements in the Real Estate market;
- Back testing of the risk monitoring processes to review the pertinence of risk indicators.

25.7. Operational risk :

The Operational risk can be defined as a risk of loss that can arise from:

- Inadequate or failed internal processes, people and systems;
- External events which include, but are not limited to legal and document risk;
- Negotiation, settlement and valuation procedures (the risk that the reported value of an asset may differ from its realizable value) applied to the AIF.

25.8. Operational risk monitoring:

The Company carries out an operational risk program to ensure operational risk is both appropriately measured and effectively managed. The monitoring of operational risks is mainly based on:

- The existence of procedures tailored to the nature of the Company's business;
- A control system that is independent of the business' operations;
- A mapping of operational risk sources and its potential impacts.

25.9. Redemption-related liquidity and "special arrangements"

- Information on the redemption-related liquidity The fund is a closed-ended fund, thus not subject to redemption until the fund enters in a liquidation phase. Therefore, no units have been redeemed during the financial year.
- Special arrangements based in the AIFM Directive

According to the AIFM Directive, a "special arrangement" arises as a direct consequence of the illiquid nature of the assets of an AIF, which impacts the specific redemption rights of investors. This constitutes a separate arrangement from the general redemption rights of investors.
None of the portfolio's assets are subject to such arrangements.

25.10 Information regarding the remuneration policy statement

In accordance with the remuneration transparency requirements applicable to portfolio management companies, this section sets out the main elements of the remuneration policies and practices implemented by AXA Investment Managers (hereinafter "AXA IM"). Additional updated details, including the Remuneration Committee and the manner in which remuneration and benefits are allocated to employees, are also available online at the following address: www.axa-im.com/remuneration. A paper copy of this information is available, free of charge, upon request.

Governance - A Global Policy, validated and re-examined annually by the AXA IM Remuneration Committee, defines the remuneration principles applicable to all Group entities. It takes into account AXA IM's strategy, its objectives, its risk tolerance and the long-term interests of its clients, shareholders and employees. In line with the remuneration policies and procedures defined and validated at AXA IM Group level, the Remuneration Committee ensures that the Global Remuneration Policy is applied consistently and fairly within AXA IM and that it complies with the regulations and recommendations in force regarding remuneration.

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NOTE 25 - AIFM DISCLOSURES (UNAUDITED) (CONTINUED)

25.4. Investment risks (continued)

c. Currency risk

Pan European Value-Added Venture II faces currency risk if it invests in assets and liabilities that are denominated in other currencies rather than Euro. As of December 31st, 2023, the portfolio's non-euro currency exposures are in British pound sterling (GBP), Danish Krona (DKK) and Swedish krona (SEK). The exposure to GBP, DKK and SEK is hedged through a FX forward.

25.4.2. Credit and counterparty risk

Credit and counterparty risk refer to the likelihood that any counterparty involved in a transaction might default on its contractual obligations.

a) Credit risk of issuers or borrowers

- No holding of bonds exposed to the issuer risk
- No holding of loans exposed to the default of the borrower.
- No holding of securitization positions (CMBS) exposed to the default risks on the loans in the collateral

b) Counterparty risk

Default risk associated with the tenants of the physical assets held by the portfolio. Tenants are required to provide guarantees to mitigate this risk including security deposits, bank securities, and first demand guarantees.

25.4.3. Liquidity Risk

Pan European Added Value II will face liquidity risk if it could not dispose of its assets in a timely manner to meet liquidity requirements such as:

- Reimbursement of loans (principal and interests), and eventual reimbursements produced by covenant breaches;
- Capital expenditures or operational losses including rental income losses;
- Significant collateral cash payments related to positions in derivative products.

Pan European Added Value Fund II does not currently face liquidity risk related to investor redemptions given that it is a closed-ended fund. The assets held by the portfolio are expected to have low liquidity up until completion of the repositioning strategies used to generate fund performance.

25.5. Leverage

In accordance with the EU Commission Delegated Regulation (EU) No 231/2013 (the "AIFM Regulation") , leverage is any method which increases the Fund's exposure, including the borrowing of cash and/or the use of derivatives. It is expressed as a percentage of the Fund's exposure to its net asset value and is calculated under both a Gross and a Commitment Method.

Under the Gross Method, exposure represents the sum of the Fund's positions after deduction of cash and cash equivalents, with derivative instruments converted into equivalent positions in their underlying asset without taking account of any hedging or netting arrangements.

Under the Commitment Method, exposure is calculated without the deduction of cash and cash equivalents and with derivative instruments converted into equivalent positions in their underlying asset after certain hedging and netting positions are offset against each other where applicable.

The calculation of these indicators takes into account transparently the debt and derivatives of controlled equity interests, in proportion to the share held. In 2022, the AIFM has reviewed the maximum authorized limits applicable for the Fund. The limits have been reduced to a maximum of 300% on the use of leverage based on the Commitment Method and a maximum of 700% on the use of leverage based on the Gross Method, which the AIFM considers reasonable and consistent with the Fund's sources of leverage taking into account the treatment of certain investors loans, which were, amongst other things, funded as part of the investors commitment in the Fund.

As of 31/12/2023, the actual levels of leverage are given below:

- AIFMD Leverage Indicator according to the Gross Method: 253%
- AIFMD Leverage Indicator according to the Commitment Method: 228%

NOTE 25 - AIFM DISCLOSURES (UNAUDITED)

25.1 Material Changes

During the year the Fund has completed two acquisitions. One acquisition completed on 14 March 2023 for an office building in Stockholm, Sweden and the other acquisition was on the 31st March 2024 for a hotel in Barcelona, Spain.

Furthermore, the Fund closed the Coolsingel asset acquisition in Rotterdam, the Netherlands on the 3rd of July as agreed in the sale and purchase agreement that was signed in 2022.

25.2 Report of activities

The Fund has been established as a closed-ended fund to deploy investors' capital commitments into value-add real estate investments with an objective to deliver a net IRR to investors (net of management fees, promote, operating and organisational expenses and Fund level taxation) in excess of 12%. The Fund will invest in targeted European countries including France, Germany, UK, Spain, Italy, Netherlands, the Nordics, whilst a maximum of 25% of equity may be invested in other markets such as Austria, Belgium, Czech Republic, Ireland, Poland, Portugal, Luxembourg and Switzerland.

25.3 Risk profile of the portfolio

The risk profile of Pan European Value-Added Venture is in line with the management's objectives, previously described in this document.
By the end of 2023, there were no events that might significantly influence the risk profile of the portfolio.

25.4. Investment risks

The portfolio is exposed to the following investment risks:

- Market risk
- Credit and counterparty risk
- Liquidity risk
- Exchange rate risk

25.4.1 Market risk

Market risk refers to the risk derived from changes in the market price of assets such as Real Estate, foreign exchange, interest rates and equity. These variations have an impact on the portfolio's revenue and/or the value of its holdings in each one of the stated categories.

a. Market risk on real estate assets

The exposure of the portfolio to market risk comes mainly from fluctuations in the value of its Real Estate assets that depend mainly on: market conditions that are subject to fluctuations, regarding rents and property prices, which are determined by supply and demand, the specificities of each asset and the general economic conditions.

- The specificities of the sectors where assets are allocated as of 31.12.2023:

- Retail: 23.2%
- Office: 31.0%
- Residential: 11.4%
- Hotel: 34.4%

The highest exposure of the portfolio at the end of 2023 is concentrated in Spain and Italy. The investment period of Pan European Value-Added Venture II has ended. The fund has closed several deals in 2023 and will close one final project in 2024 which was signed in 2021. Management has implemented various strategic decisions that address and reduce or eliminate potential risks derived from a market downturn.

b. Market risk on financial assets

This risk is derived from the fluctuations of interest rates when Pan European Value-Added Venture II enters in floating rate loans to finance Real Estate investments. At reporting date, Pan European Value-Added Venture II has mitigated this risk through hedging.

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NOTE 24 - EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

On January 12, 2024, the PEVAV II SCA paid EUR 3,558,107.31 to RBC to renew the EUR/SEK and EUR/GBP FX forward contracts. On the same date, the Company received EUR 3,750,000 from RBC for those contracts.

On February 2, 2024, the PEVAV II SCA made a cash deposit of EUR 6,000,000 on a fixed term account for a period of 2 weeks. This account has been renewed on February 14,2024 and on February 29, 2024.

On February 2, 2024, the PEVAV II SCA made another cash deposit of EUR 51,000,000 on a fixed term account for a period of 1 month. This account has been renewed on February 29, 2024.

NOTE 20 – OTHER EXPENSES

	2023	2022
Non rechargeable property expenses	6.282.581	6.604.756
VAT non-recoverable	421.576	516.700
Wages and salaries	7.358.088	-
Bank charges	789.615	447.203
Other taxes	4.527.643	359.382
Bad debt provision	-	46.414
Other	12.258.535	489.490
Total	**31.638.038**	**8.463.945**

NOTE 21 – FINANCE INCOME AND COSTS

	2023	2022
Interest expense on bank borrowings	12.051.522	5.786.801
Interest on shareholder and other payable	10.155.953	7.417.521
Debt issue fees	559.797	1.089.778
Net realized exchange loss	27.954	567
Unrealised foreign exchange gain/loss	-	1.602.046
Realised loss on derivatives (Note 8)	464.387	272.576
Finance costs	**23.259.613**	**16.169.289**
Interest income on short-term deposits	868.805	85.237
Interest on derivatives	3.965.960	1.040.192
Unrealised foreign exchange gain/loss	972.617	-
Finance income	**5.807.382**	**1.125.429**
Finance costs - net	**17.452.232**	**15.043.861**

NOTE 22 - CONTINGENCIES AND COMMITMENTS

Based on the Waterfall model disclosed in paragraph 6 of the investment and shareholders' agreement dated 2 July 2018, and the fair value of the Company's underlying Investment Property as assessed by an external appraiser as at December 31, 2023, the estimated Carried Interests attributable to Class C shareholders' amounts to EUR 0 at the closing date (2022: nil).

In February 2023, a subsidiary of the Company, Rhineland Investment, entered into a Facility agreement with a Dutch bank to borrow a total of EUR 70,500,000. Pursuant to this agreement, the Company agreed to act as guarantor and shall provide a range of guarantees among which the payment on demand of certain amounts due by the borrower.

Subject to the Guarantee agreement dated 11 November 2022 between PEVAV II S.C.A. and ABN AMRO Bank N.V., PEVAV II acts as a guarantor for an amount of EUR 1.5m, for delivering suitable office space to ABM AMRO, if the handover does not take place on or before the intended handover date.

At the date of the statement of financial position, the uncalled capital commitment of the Group is €257.3m including the distribution of 65,1m in December 2022 which is recallable by the fund. Of the uncalled commitment €10m is allocated to Stirling Investment S.à r.l. for the asset in UK, €40m is allocated to Colombo Investment S.à r.l. for the asset in Portugal, €20m is allocated to Rhineland Investment S.à r.l. for the asset in Netherlands and €5m to Fastighets AB Knall for the asset in Sweden.

NOTE 23 - RELATED-PARTY TRANSACTIONS

The General Partner receives management fees from the Company. The fees are calculated based on Investor's Commitments until the end of the investment period. The level of fees is a sliding scale ranging from 1% to 1.5% based on the relevant commitment.

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NOTE 15 – TRADE AND OTHER PAYABLES (CONTINUED)

Current	2023	2022
Trade Payables	12.789.355	722.761
Development costs	-	310.098
Tenant deposit and deferred income	9.368.165	2.199.142
Accruals		
- Corporate or operating accruals	1.549.821	562.054
- Fixed asset accruals	-	1.572.643
- Management fee accrual	571.816	194.153
- Other	2.710.823	1.829.611
Non-Financial liabilities	**26.989.980**	**7.390.462**
Other taxes	3.650.164	321.521
Trade and other payables	**30.640.144**	**7.711.983**

NOTE 16 – PROVISIONS

Provisions as at December 31, 2023 come mainly from:

- TCB Co-Invest and relates to AXA REIM SA, the appointed asset manager, who is entitled to a performance fee after an internal rate of return of 9% has been reached after which the manager is entitled to 10% of the profits. As at 31 December 2023, a performance fee of EUR 258.049 (2022: EUR 2,021,942) has been accrued in the annual consolidated accounts.
- La Touche comprising of EUR 1.000.473 (2022: €150,888.16) as uninvoiced tenant contributions relating to refurbishments.

NOTE 17 – REVENUE, NET OF RECOVERABLE SERVICES CHARGES

	2023	2022
Rental income, including service charge income	17.158.052	23.027.824
Service and management charges	(2.707.683)	(1.735.989)
Sales Revenue	15.730.998	-
Accommodation Revenue	18.448.753	-
Total	**48.630.120**	**21.291.835**

NOTE 18 – OTHER INCOME

	2023	2022
Reversal of bad debt provision	167.550	-
Total	**167.550**	**-**

NOTE 19 – ADMINISTRATIVE EXPENSES

	2023	2022
Provision for carried interest	-	5.512.569
Management fees	3.877.444	3.797.690
Legal fees and acquisition cost	723.405	1.786.471
Recharge from PEVAV II GP	263.642	137.000
Tax advisory fees	313.613	640.178
Corporate and accounting fees	719.477	589.534
Audit fees	338.606	191.669
Valuation fees	188.054	195.007
Other	2.073.718	1.675.837
Total	**8.497.959**	**14.525.955**

NOTE 13 – BORROWINGS (CONTINUED)

The loan agreement for 8 Gallery has been signed with two lenders ING Bank and Aareal Bank and was extended to an additional 3 years as from July 2023. The covenants pertaining to same are listed below:

Financial Covenant	Ratio requested by the Facility Agreement	Ratio as at Calculation Date
Loan to Value	Not higher than 60%	50%
DSCR	Not lower than 140%	245%
DSCRF	Not lower than 140%	169%
Property Occupancy Rate	Higher than 85%	97%
NOI	Equal or higher than EUR 4.500.000	EUR 5.585.171

The loan received in connection with La Touche has been granted by Bank of Ireland. The following covenants applied: Historical and projected Mass Cover should amount to 200% minimum; The LTV would not exceed 70% and the Weighted Average Unexpired Lease Term should, at least, represent 12 months.

On 27 March 2023, La Touche was in breach of the loan to value covenant. In April 2023, the entity reimbursed part of the bank loan for an amount of EUR 4.318.000, to cure the breach, and as such the breach has been mitigated as at 31 December 2023.

The Skandinaviska Enskilda Banker AB loan covenant stipulates that the borrower should ensure that the LTV ratio is at all times below 65%. As at 31 December 2023, the LTV ratio is at all times below 65% but will only be tested post-completion. No covenant certificate has been prepared for 2023.

Beaufort LTV covenant stipulates that the borrower should ensure that the LTV ratio is at all times below or equal to 65%. As at 31.12.2023,Beaufort was in breach of loan covenant.

In February 2023, a subsidiary of the Company, Rhineland Investment, entered into a Facility agreement with a Dutch bank to borrow a total of EUR 70,500,000. Pursuant to this agreement, the Company agreed to act as guarantor and shall provide a range of guarantees among which the payment on demand of certain amounts due by the borrower. The loan covenant stipulates at LTV ratio of 60% or less but will only be tested post-completion. No covenant certificate has been prepared for 2023.

During the year 2023, Fastighets AB Knall entered into a loan agreement with PBB. The covenant stipulates an ICR of a minimum of 150% and a LTV ratio of 60% or less. At at 31 December 2023, Fastighets AB Knall was not in breach.

Likewise, Hotel Sofia Bcn Propco S.L. entered into a loan agreement with Aareal bank, with the stipulation of an ICR of a minimum of 130% and LTV ratio of 63% or less. Hotel Sofia Bcn Propco S.L. was not in breach at year end.

NOTE 14 – OTHER PAYABLE – CO-INVESTORS

Co-investors
The Fund invests in Italy with partners.
These partners have contributed to the financing of the Group's project in the form of loans.

At the end of the year, the other payable is composed of the following items:

Non-current	Maturity	Interest rate	2023	2022
Co-investor in Italy	7/25/2023	8,50%	7.444.790	7.444.790
			7.444.790	**7.444.790**

Current	2023	2022
Interest payable on other payables	3.146.058	2.504.462
	3.146.058	**2.504.462**

NOTE 15 – TRADE AND OTHER PAYABLES

Non-current	2023	2022
Tenant Deposit	6.631	-
	6.631	**-**

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NOTE 12 – SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Ordinary shares	Share premium	Total
At 31 December 2021	**11.336.837**	**11.336.837**	**101.761.905**	**113.098.742**
Movement of the year	20.432	20.432	(72.883.189)	(72.862.757)
At 31 December 2022	**11.357.269**	**11.357.269**	**28.878.716**	**40.235.985**
Movement of the year	19.400.000	19.400.000	174.600.000	194.000.000
At 31 December 2023	**30.757.269**	**30.757.269**	**203.478.716**	**234.235.985**

The Company has an authorised capital of a maximum amount of EUR 1,300,000,000 to be issued in order to issue new shares.

The subscribed capital of the Company is divided into 30.000 class A shares (the "Class A Shares"), which shall be held by the unlimited partner, in representation of its unlimited partnership interest in the Company and 6,988,227 class B1 shares, 11,409,354 class B2 shares and 11,884,740 B3 shares (the "Class B' Shares") which shall be held by the unlimited partner and the limited shareholders, and 444,948 class C1 shares and 444,948 class C2 shares (the "Class C' Shares"), which shall be held by the unlimited partner and the limited shareholders in representation of their limited partnership interest in the Company. Except to the C1 shares which have a nominal value of EUR 0,01 and the C2 shares which have a nominal value of EUR 0,99, each issued share of each class has a nominal value of EUR 1.- and is fully paid up. Each share entitles to one vote.

The total commitments are EUR 643.445.000. Capital of EUR 451.300.000 , inclusive of Preferred Equity Certificates of EUR 144.026.932 has been called as of 31 December 2023. A total amount of EUR 73.067.086 was distributed in 2022, out of which EUR 65.114.458 is recallable. The undrawn commitments amount to EUR 257.259.458. There were no distributions in 2023.

NOTE 13 - BORROWINGS

Non-current				**2023**	**2022**
Bank borrowings	**Lender**	**Maturity**	**All in Interest rate**		
8 Gallery Immobiliare S.r.l.	ING & Aareal	07/24/2026	2,2%	55.851.372	65.089.775
La Touche S.à r.l.	Bank of Ireland	03/20/2026	1,85%	45.177.031	50.540.478
DK Hoje Taastrup A03 K/S	Skandinaviska	11/15/2026	3 month CIBOR + margin	13.892.443	790.209
DK Hoje Taastrup A04 K/S	Enskilda Banken AB		2,4%	11.474.140	2.381.608
Beaufort S.A.S.	Société Générale	07/01/2024	EURIBOR 3 months + 1,4%	-	11.736.892
Rhineland Investment S.à r.l.	Rabobank	12/30/2026	EURIBOR + margin 3,58%	17.021.457	-
Fastighets AB Knall	PBB	03/14/2027	Fixed 3,09% + margin 2%	35.712.001	-
Hotel Sofia Bcn Propco S.L.	Aareal	03/31/2028	Fixed 3,023% + margin 3%	99.964.237	-
Total				**279.092.681**	**130.538.962**
Shareholders' loans (1)			(2)	144.026.932	144.033.833
				423.119.613	**274.572.795**

(1) Maturity of the Shareholder's loan is 30 years after the issuance date.
(2) Yield is the reference income from the corresponding subsidiary PECs less any margin to be realised by the Group.

Current				**2023**	**2022**
Bank Borrowings	**Lender**	**Maturity**	**All in Interest rate**		
Beaufort	Société Générale	07/01/2024	EURIBOR 3 months + 1,4%	5.171.372	-
				5.171.372	**-**
Interest on bank borrowings				617.193	4.230
				5.788.565	**4.230**
Accrued interest on shareholders' loans				11.051.560	1.537.203
				16.840.125	**1.541.433**

During the year, the Group paid additional debt issue costs of EUR 3.271.399 (2022: EUR 821 366).

NOTE 10 – TRADE AND OTHER RECEIVABLES

Non-current

	2023	2022
Bank guarantee	-	785.854
Tenant guarantee	2.447.136	251.655
Other receivables	9.643	-
Total	**2.456.779**	**1.037.509**

Current

	2023	2022
Rent and service charges receivables:		
- Rent and service charges receivables from tenants	3.270.977	2.037.445
- Less: provision for impairment of rent receivables	(219.901)	(600.387)
Total rent receivables	3.051.076	1.437.058
Other receivables:		
- Taxes	8.040.462	3.990.830
- Cost incurred for acquisition projects	-	1.411.093
- Prepayments (insurance and other)	17.572.582	1.256.361
- Accrued income	6.174.826	144.355
- Contract asset	140.606	-
- Tenant surrender premium	-	900.000
- Receivable from investors	57.353	225.160
- Notary deposits	-	185.794
- Receivable from property manager	103.608	177.783
- Other	987.420	310.496
Total other receivables	**33.076.857**	**8.601.872**
Total receivables, net of provision for impairment	**36.127.933**	**10.038.930**

Prepayments comprise primarily of an amount of EUR 14.373.078, in relation to the construction works of Stage 1 of the North Tower project in Colombo Investment S.à.r.l.

Movements in the provision for impairment of trade receivables is as follows:

	2023	2022
At 1 January	(600.387)	(562.170)
Adjustment of impairment losses recognized during the period, net	-	(44.308)
Acquisition as part of business combination	1.257	-
Reversal of bad debt provision	382.376	-
Effect of translation to presentation currency	(3.147)	6.631
At 31 December	**(219.901)**	**(600.387)**

NOTE 11 – CASH AND CASH EQUIVALENTS

	2023	2022
Current accounts	**57.268.091**	**41.409.606**

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NOTE 8 – FINANCIAL INSTRUMENTS AT FAIR VALUE (CONTINUED)

In March 2021, the Fund put in place a hedging strategy. The equity invested in Sterling is now fully hedged with a 3 month FX forward contract renewed each quarter. As at December 31, 2023, it generated a total realized loss of € 464.387 (2022: €272,576). This loss is disclosed in the finance cost (Note 21).

Furthermore, the variable interest rate received in connection with the French investment is hedged with an Interest rate swap since July 2021.

In July 2023, the Italian subsidiary, 8 Gallery, entered into a Fixed Floating Swap transaction with ING Bank N.V. The effective date was set to 25 July 2023, for a duration of 3 years, with termination date set to 24 July 2026. As per the terms of the contract, the Italian investment ought to pay at a fixed interest rate of 3.365% while ING Bank N.V. ought to pay at a floating rate, adjusted for the underlying index Euribor, both on a quarterly basis, until termination. The notional amounts, as part of the contract from inception till termination date are set below.

Start Date	End Date	Notional Amount (EUR)
25 July 2023	29 September 2023	55.850.000
29 September 2023	29 December 2023	55.850.000
29 December 2023	28 March 2024	55.850.000
28 March 2024	28 June 2024	55.850.000
28 June 2024	30 September 2024	55.850.000
30 September 2024	30 December 2024	55.710.375
30 December 2024	31 March 2025	55.570.750
31 March 2025	30 June 2025	55.431.125
30 June 2025	30 September 2025	55.291.500
30 September 2025	30 December 2025	55.151.875
30 December 2025	31 March 2026	55.012.250
31 March 2026	30 June 2026	54.872.625
30 June 2026	24 July 2026	54.733.000

The change in fair value of the derivative amounted to €902.594 (2022: nil).

The Group does not apply hedge accounting in accordance with IFRS 9. Nevertheless, interest rates swaps and forward exchange contracts are part of economic hedge relationships. Interest rate swaps are used to fix the interest payments of variable debt instruments.

NOTE 9 - INCOME TAX

	2023	2022
Current tax	(37.217)	(841.373)
Deferred tax	10.028.549	15.523.056
Total tax expense	**9.991.332**	**14.681.683**

Deferred tax liabilities	2023	2022
At 1 January	707.792	16.173.815
Charged to the income statement	(10.028.549)	(15.523.056)
Deferred tax assets netted with deferred tax liabilities	25.984.726	57.033
At 31 December	**16.663.969**	**707.792**

NOTE 7 – INVESTMENT PROPERTY (CONTINUED)

Valuation process (continued)

Information about fair value measurements using significant unobservable inputs (Level 3) – 2022

Country	Segment	Valuation (€)	Valuation technique	Rental Value (€'000)	Capitalisation rate for terminal value (%)	Sensitivities in capitalization rate	
Italy	Retail	114.350.000	Discounted cash flows	8.678	6,90%		
						+5%/-0,25%	116.622.393
					Change in ERV/ Cap rate	0,0%	114.350.000
						-5%/-0,25%	112.152.636
Ireland	Office	70.000.000	Hardcore method	6.245	5,40%		
						+5%/-0,25%	77.253.407
					Change in ERV/ Cap rate	0,0%	70.000.000
						-5%/-0,25%	67.837.550
UK	Retail	18.878.754	Hardcore method	5.616	9,02%		
						+5%/-0,25%	20.699.185
					Change in ERV/ Cap rate	0,0%	18.878.754
						-5%/-0,25%	18.120.950
Denmark	Residential	29.530.020	Residual value method	3.812	4,40%		
						+5%/-0,25%	37.867.531
					Change in ERV/ Cap rate	0,0%	29.530.020
						-5%/-0,25%	21.999.745

The valuation of the Beaufort assets is performed using the comparable method of valuation. The comparable evidence must be comprehensive, similar, recent, and verifiable for which a large array of data exists given the assets are amongst an active market being the Paris residential market. Rises and falls in the valuations may be subject to wider ranging macroeconomic factors such as inflation, interest rates, and Gross Domestic Product.

NOTE 8 – FINANCIAL INSTRUMENTS AT FAIR VALUE

	2023 Assets	2023 Liabilities	2022 Assets	2022 Liabilities
Interest rate CAP	510.762	-	1.313.368	-
Accrued interests on CAP	74.378	-	74.376	-
Forward foreign exchange contracts	205.901	(4.175.455)	354.556	-
Accrued interests on Forward foreign exchange contracts	3.750.000	-	-	-
Interest rate SWAP	-	(1.187.625)	-	-
Accrued interests on SWAP	44.880	-	-	-
Floating Rate Bond	86.054	-	-	-
Accrued interests on Floating Rate Bond	22.789	-	-	-
Total	**4.694.764**	**(5.363.080)**	**1.742.300**	**-**

Trade date	Currency	Notional	Maturity date	Value as at 31.12.2023	Value as at 31.12.2022	Unrealised gain/(loss) 2023	Unrealised gain/(loss) 2022
Interest rate CAP							
16-07-21	EUR	27.350.945	28-06-24	510.762	1.313.368	(802.606)	1.197.760
Forward foreign exchange contracts							
05-10-22	GBP	26.300.000	09-01-23	-	354.556	-	354.556
06-07-23	GBP	26.300.000	10-01-24	205.901	-	205.901	-
06-07-23	SEK	663.000.000	10-01-24	(4.175.455)	-	(4.175.455)	-
Interest rate SWAP							
19-07-23	EUR	55.850.000	24-07-26	(1.187.625)	-	1.187.625	-
Floating Rate Bond							
14-12-22	DKK	170.073.061	25-11-24	86.054	-	86.054	-
Total				**(4.560.362)**	**1.667.924**	**(5.873.730)**	**1.552.316**

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NOTE 7 – INVESTMENT PROPERTY (CONTINUED)

Lease liabilities (continued)

	Thistles	Marches	Total EUR
Opening balance	12.663.230	10.268.360	22.931.590
Accretion of interest	394.805	298.739	693.544
Remeasurement of liabilities	-	(6.251.284)	(6.251.284)
Payments	(392.744)	(299.584)	(692.328)
Foreign exchange gain/loss	(679.420)	(309.187)	(988.607)
Balance at 31 December 2022	**11.985.870**	**3.707.044**	**15.692.915**
Non-current liabilities	**11.988.718**	**3.706.684**	**15.695.402**
Current liabilities	**2.847**	**360**	**3.207**
Foreign exchange gain/loss	**(5.693)**	**-**	**(5.693)**
Total Liabilities	**11.985.871**	**3.707.044**	**15.692.916**

Valuation processes

The Group's investment properties were valued at 31 December 2023 by independent professionally qualified valuers (JLL) who hold a recognised relevant professional qualification and have recent experiences in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use.

AXA REIM SGP, the AIFM of the Group reviews the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held with the independent valuers at least once a quarter, in line with the Group's quarterly reporting dates.

Information about fair value measurements using significant unobservable inputs (Level 3) – 2023

Country	Segment	Valuation (€)	Valuation technique	Rental Value (€'000)	Capitalisation rate for terminal value (%)	Sensitivities in capitalization rate	
Italy	Retail	108.000.000	Discounted cash flows	8.857	7,40%		
						+5%/-0,25%	111.640.000
					Change in ERV/ Cap rate	0,0%	108.000.000
						-5%/-0,25%	104.600.000
Ireland	Office	54.800.000	Hardcore method	6.245	6,10%		
						+5%/-0,25%	49.343.990
					Change in ERV/ Cap rate	0,0%	54.800.000
						-5%/-0,25%	52.337.496
UK	Retail	19.334.259	Hardcore method	5.459	14,50%		
						+5%/-0,25%	20.626.228
					Change in ERV/ Cap rate	0,0%	19.334.259
						-5%/-0,25%	18.601.228
Denmark	Residential	53.323.034	Residual value method	3.983	5,06%		
						+5%/-0,25%	71.097.380
					Change in ERV/ Cap rate	0,0%	53.323.034
						-5%/-0,25%	58.085.218
Sweden	Office	84.706.861	Discounted cash flows	5.527	18,77%		
						+5%/-0,25%	90.278.999
					Change in ERV/ Cap rate	0,0%	84.706.861
						-5%/-0,25%	81.005.142
Netherlands	Office	30.050.000	Discounted cash flows	6.714	5,69%		
						+5%/-0,25%	33.610.074
					Change in ERV/ Cap rate	0,0%	30.050.000
						-5%/-0,25%	26.061.303

NOTE 7 – INVESTMENT PROPERTY

Segment / level	Denmark 3	Italy 3	Ireland 3	UK 3	France 2	Sweden 3	Netherlands 3	2023	2022
Fair value at 01 January	29.530.020	114.350.000	70.000.000	18.878.755	20.166.400	-	-	252.925.175	603.650.237
- Direct acquisitions	-	-	-	-	-	85.544.818	34.611.029	120.155.847	43.211.857
- Subsequent expenditure	24.610.209	1.202.282	178.534	2.206.819	5.060.086	4.030.908	3.606.885	40.895.723	13.756.764
- Net gain from fair value adjustments on investment property	(922.763)	(7.552.282)	(15.378.534)	(2.204.328)	(1.284.177)	(4.724.727)	(8.167.914)	(40.234.725)	2.930.073
- Disposals	-	-	-	-	(14.812.335)	-	-	(14.812.335)	(409.760.365)
-Reversal of value adjustment on sold properties	-	-	-	-	(2.124)	-	-	(2.124)	-
-Currency translation difference in OCI	105.569	-	-	361.720	-	(144.140)	-	323.149	(863.391)
Fair value at 31 December	53.323.034	108.000.000	54.800.000	19.242.966	9.127.850	84.706.859	30.050.000	359.250.710	252.925.175

On 14 March 2023, the Fund acquired a new subsidiary in Sweden in order to invest in an office building located in Stockholm.

On 3 July 2023, Rhineland Investment S.à.r.l. entered into a sale and purchase agreement with ABN AMRO Bank N.V. to purchase ABN AMRO office premises at the Coolsingel in Rotterdam, Netherlands for a purchase price of EUR 33.000.000.

Investment properties held under lease

	Thistles	Marches	Total EUR
Opening balance	**11.985.871**	**3.707.044**	**15.692.916**
Fair value adjustment	(1.136)	(368)	(1.504)
Foreign exchange gain/loss	196.213	88.551	284.764
Balance at 31 December 2023	**12.180.948**	**3.795.227**	**15.976.175**

	Thistles	Marches	Total EUR
Opening balance	**12.663.230**	**10.268.360**	**22.931.590**
Additions	2.601	(6.252.074)	(6.250.013)
Fair value adjustment	(679.420)	(309.242)	(988.662)
Balance at 31 December 2022	**11.985.871**	**3.707.044**	**15.692.916**

Total investment property at 31 December 2023	**375.226.885**
Total investment property at 31 December 2022	**268.618.090**

Lease liabilities

	Thistles	Marches	Total EUR
Opening balance	**11.985.871**	**3.707.044**	**15.692.916**
Accretion of interest	528.491	166.061	694.552
Payments	(529.627)	(166.429)	(696.056)
Foreign exchange gain/loss	196.213	88.551	284.764
Balance at 31 December 2023	**12.180.947**	**3.795.227**	**15.976.176**
Non-current liabilities	**12.180.637**	**3.794.384**	**15.975.021**
Current liabilities	**311**	**843**	**1.154**
Total Liabilities	**12.180.947**	**3.795.227**	**15.976.175**

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NOTE 5 – INTANGIBLE ASSETS

As at 31 December 2023, the intangible assets were as follows:

	Development	Computer Applications	Goodwill	Total
Cost				
As at 01 January 2023	-	-	-	-
Acquisition through business combination	483.666	475.683	4.494.000	5.453.349
As at 31 December 2023	483.666	475.683	4.494,000	5.453.349
Amortization				
As at 01 January 2023	-	-	-	-
Acquisition through business combination	(223.234)	(433.674)	-	(656.908)
Amortization charge for the year	(36.191)	(12.279)	-	(48.470)
Impairment	-	-	(4.494.000)	(4.494,000)
As at 31 December 2023	(259.425)	(445.953)	(4.494.000)	(5.199.378)
Net Book Value as at 31 December 2023	224.241	29.730	-	253.971

Intangible assets recognized in the balance sheet relate to those of Hotel Sofia Opco and Hotel Sofia Propco, as part of the business acquisition by Hollingbury, S.L. as of 31 March 2023.

NOTE 6 – PROPERTY, PLANT AND EQUITPMENT

As at 31 December 2023, the property, plant and equipment were as follows:

	Land and buildings	Fixtures and fittings	Work in Progress	Total
Cost				
As at 01 January 2023	-	-	-	-
Acquisition through business combinations	183.385.000	15.067.586	31.000	198.483.586
Additions	3.271.250	-	204.592	3.475.842
Revaluation adjustment	(10.868.597)	(826.455)	(13.855)	(11.708.907)
As at 31 December 2023	**175.787.653**	**14.241.131**	**221.737**	**190.250.521**
Accumulated depreciation and impairment				
As at 01 January 2023	-	-	-	-
Depreciation for the year	(1.850.521)	-	-	(1.850.521)
As at 31 December 2023	**(1.850.521)**	-	-	**(1.850.521)**
Fair value as at 31 December 2023	**173.937.132**	**14.241.131**	221.737	**188.400.000**
Fair value as at 31 December 2022	-	-	-	-

NOTE 4 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Determining if an acquisition qualifies as business combination

When acquiring a company or a group of asset and liabilities, management assesses whether the acquisition qualifies as a business combination in accordance with IFRS 3. When determining if an acquisition as a business combination or not, management considers if the transaction includes the acquisition of supporting infrastructure, employees, service provider agreements and major input or output processes as well as active lease agreement.

(b) Investment property

The fair value of investment properties is determined by using valuation techniques. Further details of the judgements and assumptions made under note 2.15.

(c) Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, property type, customer type and rating, and coverage by credit insurance). The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in a customer segment, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

As at 31 December 2023, ECL's for trade receivables are detailed in the following table and considered as not significant:

	Days past due					
	Not invoiced*	< 30 days	30 - 60 days	60 - 90 days	>90 days	**Total**
Expected credit loss rate	3%	3%	5%	10%	15%	
Carrying amount (€'000)	1.018,2	555,2	275,9	450,0	1.096,5	**3.395,8**
Expected credit loss (€'000)	30,5	16,7	13,8	45,0	164,5	**270,5**
Net amount (€'000)	987,7	538,5	262,1	405,0	932,0	**3.125,3**

* Service Charges to be invoiced by Property Manager in the course of 2023 following service charges reconciliation.

(d) Income taxes

The Group could be subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions.

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NOTE 3 - FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

c) Liquidity risk (continued)

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by keeping committed credit lines available.

The maturity analysis of nominal amount of financial liabilities at 31 December 2023 is as follows:

31/12/2023	On demand	Less than 12 months	Between 1 and 5 years	Later than 5 years	Total
Liabilities					
Bank borrowings and interest on bank borrowings (excluding debt issue costs) (Note 13)	-	5.781.898	283.510.088	-	289.291.986
Shareholders' loans (Note 13)	-	11.051.560	-	144.026.932	155.078.492
Derivatives financial liabilities (Note 8)	-	4.175.455	1.187.624	-	5.363.079
Lease liabilities (Note 7)	-	1.154	9.192	15.965.829	15.976.175
Other Payable (Note 14)	-	3.146.058	7.444.790	-	10.590.848
Trade and other payables (Note 15)	-	30.640.144	6.631	-	30.646.775
Total	-	54.796.269	292.158.325	159.992.761	506.947.355

31/12/2022	On demand	Less than 12 months	Between 1 and 5 years	Later than 5 years	Total
Liabilities					
Bank borrowings and interest on bank borrowings (excluding debt issue costs) (Note 13)	-	4.230	131.678.303	-	131.682.533
Shareholders' loans (Note 13)	-	1.537.203	-	144.033.833	145.571.036
Lease liabilities (Note 7)		3.207	15.517	15.679.885	15.698.609
Other Payable (Note 14)	-	2.504.462	7.444.790	-	9.949.252
Trade and other payables (Note 15)	-	7.711.983	-	-	7.711.983
Total	-	11.761.085	139.138.610	159.713.718	310.613.413

d) Leverage

The use of leverage (through debt or derivatives instruments) increases the level of market, counterparty and liquidity risks.
At the reporting date, the portfolio is partly funded through bank indebtedness. Details on the bank loan are given in Note 13 of this report.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders; and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, call capital or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital, as defined hereafter. Net debt is calculated by the Group as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated statement of financial position, plus net debt.

The gearing ratios at 31 December were as follows:

	31/12/2023	31/12/2022
Total borrowings	284.881.246	130.543.192
Less: cash and cash equivalents	(57.268.091)	(41.409.606)
Net debt	227.613.155	89.133.586
Total equity	142.316.577	8.230.993
Total capital	369.929.732	97.364.579
Gearing ratio	62%	92%

NOTE 3 - FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

a) Market risk (continued)

(iv) Cash flow and fair value interest rate risk

The Group's interest rate risk principally arises from long-term borrowings (Note 13). Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's policy is to fix the interest rate on its variable interest borrowings. To manage this, the Group enters into interest rate derivatives (swaps or caps) in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount.

As of 31 December 2023, if interest rates had been 200 basis points higher with all other variables held constant, post-tax result for the year would have been insignificant. Likewise, if interest rates had been 200 basis points lower with all other variables held constant, the effect on post-tax result would be insignificant. This analysis does not take into account any change in the valuation of interest rate derivative that could arise from a variation of interest rate.

b) Credit and counterparty risk

Credit and counterparty risk is the risk of financial loss if the issuer, the borrower or any counterparty fail to meet its obligations.

Credit risk of issuers or borrowers

- No holding of bonds exposed to the issuer risk.
- No holding of loans exposed to the default of the borrower.
- No holding of securitization positions (CMBS) exposed to the default risks on the loans in the collateral.

Counterparty risk

The portfolio exposure to counterparty risk comes mainly from

- the default risk of tenants of the building that is physically held by the portfolio. In order to mitigate this risk, security deposit, bank security or first demand guarantee are systematically required from the tenants.

	31/12/2023	31/12/2022
Trade receivables, net of provision for impairment (Note 10)		
- Rent receivables from lessees	3.051.076	1.437.058
- Other receivables (Note 10)	33.076.857	8.601.873
	36.127.933	10.038.931

	31/12/2023	31/12/2022
Rent receivables, gross (Note 10)		
Total neither past due nor impaired	3.270.977	2.037.445
Less: impairment provision	(219.901)	(600.387)
	3.051.076	1.437.058

The above table provides an analysis on credit quality of rent receivables. Based on Management analysis, the risk on net rent receivable is not considered as material.

c) Liquidity risk

Liquidity risk represents the risk of not being able to dispose of the assets in the portfolio in a timely manner so that liquidity requirements can be met, such as:

- capital expenditures or operating losses (including rental income losses)
- Loans reimbursements (principal and interests), and potential reimbursements triggered by covenants breaches.

The Fund is not in liquidation phase and therefore no investors redemption possible as the Fund is a closed ended fund.

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NOTE 3 - FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

a) Market risk (continued)

(ii) Foreign exchange risk (continued)

At 31 December 2023, if the Danish Krone weakened/strengthened by 20% post-tax loss for the year would have been as follows:

EUR/DKK	DKK		
	-20%	Current	20%
	8.94	7.45	5.96
Net income	(64.150.218)	(64.839.635)	(65.529.052)

At 31 December 2023, if the Swedish Krona weakened/strengthened by 20% post-tax loss for the year would have been as follows:

EUR/SEK	SEK		
	-20%	Current	20%
	13.36	11.13	8.90
Net income	(63.540.076)	(64.839.635)	(66.139.194)

Note: this sensitivity analysis does not take into account any change in MtM of the FX Derivatives that would arise from a change in fx rate.

Furthermore, at 31 December 2023, if the UK pound weakened/strengthened by 20% total equity at the end of the year would have been as follows:

EUR/GBP	GBP		
	-20%	Current	20%
	1.04	0.87	0.70
Equity	140.749.789	142.316.577	144.644.377

At 31 December 2023, if the Danish Krone weakened/strengthened by 20% total equity at the end of the year would have been as follows:

EUR/DKK	DKK		
	-20%	Current	20%
	8.94	7.45	5.96
Equity	140.816.706	142.316.577	144.566.383

At 31 December 2023, if the Swedish Krona weakened/strengthened by 20% total equity at the end of the year would have been as follows:

EUR/SEK	SEK		
	-20%	Current	20%
	13.36	11.13	8.90
Equity	142.016.263	142.316.577	142.767.386

Note: this sensitivity analysis does not take into account any change in MtM of the FX Derivatives that would arise from a change in fx rate.

(iii) Price risk

The Group has no significant exposure to price risk as it does not hold any equity securities or commodities.

NOTE 3 - FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The risk management function within the Group is carried out in respect of financial risks. Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including interest rate risk and other price risk), credit and other counterparty risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stay within these limits.

a) Market risk

Market risk is the risk of changes in market prices, such as real estate assets prices, foreign exchange rates, interest rates and equity prices, affecting the portfolio's income and/or the value of its holdings in real estate assets, financial instruments and assets held in currency. The portfolio exposure to market risk comes mainly from movements in the value of its real estate assets.

Sensitivities to market risks included below (and in note 7) are based on a change in one factor while holding all other factors constant. In practice, this is unlikely to occur, and changes in some of the factors may be correlated – for example, changes in interest rate and changes in foreign currency rates.

(i) Market risk on real estate assets

The values of real estate assets mainly depend on:
the real estate market situation which is subject to fluctuations particularly regarding rents and prices determined by the supply, the demand and the general economic conditions, and the specificities of each real estate asset. At the end of 2023, the Fund holds assets in Italy, the United Kingdom, Denmark, Ireland, Spain, Sweden and in France. A sensitivity analysis is detailed in note 7.

(ii) Foreign exchange risk

The holding of real estate or financial assets held in currencies other than euro creates a currency risk. The Group operates internationally and is exposed to foreign exchange risk with respect to the UK pound (GBP), Swedish Krona (SEK) and the Danish Crown (DKK) . Foreign exchange risk arises in relation to the recognized monetary financial assets and liabilities that are not in the functional currency of the respective group entity.

The Group's policy is to enter into currency hedging transactions with forward foreign exchange contracts; however, it does not opt to use hedge accounting in accordance with the requirements of IFRS 9.

The Group has various financial assets such as derivative financial assets and liabilities, trade and other receivables and cash and short-term deposits that arise directly from its operations. The Group's principal financial liabilities, besides derivative financial liabilities, comprise bank loans and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations.

The derivative transactions the Group enters into are primarily forward foreign exchange contracts and option to manage currency risks arising from the Group's operations and its sources of finance (economy hedges).

The Group manages foreign currency risk on a group basis. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge partly their foreign exchange risk exposure with the Group Treasury.

In addition, the Group manages foreign currency risk as follow:

- External debt financing received in local currency
- Equity contribution to the investment hedged at more than 90% by entering into forward foreign exchange contract
- Operating activity partly offset operating costs, both in local currency

The functional currency of the Company is the Euro; the functional currencies of the Group's principal subsidiaries are the Euro, GBP, SEK and DKK. The following table presents sensitivities of profit and loss to reasonable possible changes in exchange rates applied at the financial position date relative to the functional currency of the respective group entities, with all other variables held constant.

At 31 December 2023, if the UK pound weakened/strengthened by 20% post-tax loss for the year would have been as follows:

EUR/GBP	GBP		
	-20%	Current	20%
	1.04	0.87	0.70
Net income	(64.840.420)	(64.839.635)	(64.838.850)

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NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.16 Leases (continued)

a. Group is the lessee (continued)

(ii) Subsequent measurement (continued)

The lease liability is measured as follows:

(a) increasing the carrying amount to reflect interest on the lease liability;
(b) reducing the carrying amount to reflect the lease payments made; and
(c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Where the Group is exposed to potential future increases in variable lease payments based on an index or rate, these are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

b. Group is the lessor

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the consolidated statement of financial position in accordance with their nature. The Group elected to recognize lease income for variable payment that depends on an index or a rate on a straight-line basis.

At the commencement date, the Group assesses whether the lessee is reasonably certain to exercise an option to extend the lease or to purchase the underlying asset, or not to exercise an option to terminate the lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise, or not to exercise, the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option.

The Group makes payments to agents for services in connection with negotiating lease contracts with the Group's lessees. The letting fees are capitalized within the carrying amount of the related investment property and are amortized over the lease term.

Any changes in the scope or the consideration for a lease, that was not part of the original terms and conditions of the lease, for example, rent concessions given which were not contemplated as part of the original terms and conditions of the lease, are accounted for as lease modifications.

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, recognizing the remaining lease payments, including any amounts recorded as prepaid or accrued lease payments at the time of the modification, as income on a straight-line basis over the remaining lease term.

2.17 Derivatives

The Group does not apply hedge accounting in accordance with IFRS 9 "Financial Instruments". Derivative financial assets and liabilities are classified as financial assets or liabilities at FVPL. Derivative financial assets and liabilities comprise mainly interest rate swap and forward foreign exchange contracts for hedging purposes (economic hedge). Recognition of the derivative financial instruments takes place when the economic hedging contracts are entered into. They are measured initially and subsequently at fair value; transaction costs are included directly in finance costs. Unrealized gains or losses on derivatives are recognized in the consolidated statement of comprehensive income in net change in fair value of financial instruments at FVPL.

2.18 Rental / tenant guarantee

Rental guarantees provided for by the seller of an investment property and guarantee given by the tenants are recognized as a financial asset when the Group becomes a party to the contractual provisions of the guarantee. Rental guarantees are classified as financial assets at FVPL.

2.19 Interest income and expense

Interest income and expense are recognized within finance income and finance costs in the consolidated statement of comprehensive income using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalized as part of the cost of that asset. The Group has chosen to capitalize borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.15 Fair value measurements (continued)

All assets and liabilities, for which fair value is measured or disclosed in the financial statements, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

The table below analyses financial instruments carried at fair value, by category of their value hierarchy:

As at 31 December 2023	Level 1	Level 2	Level 3
Plant, Property and Equipment (Note 6)	-	-	188.400.000
Investment properties (Note 7)	-	9.127.850	350.122.859
Derivative financial assets (Note 8)	-	802.717	-
Derivative financial liabilities (Note 8)	-	(5.363.079)	-
Investment properties under finance lease (Note 7)	-	-	15.976.175

As at 31 December 2022	Level 1	Level 2	Level 3
Investment properties (Note 7)	-	20.166.400	232.758.774
Derivative financial assets (Note 8)	-	1.667.924	-
Investment properties under finance lease (Note 7)	-	-	15.692.916

2.16 Leases

a. Group is the lessee

(i) At initial recognition

The Group acting as lessee recognizes a right-of-use asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The right-of-use asset is measured at its cost which includes the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the Group; and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

The lease liability is measured at the present value of the lease payments that are not paid at the date of the consolidated statement of financial position.

Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured at the applicable index or rate at the lease commencement date;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, or the penalty payable on the exercise of a termination option unless the Group is reasonably certain not to exercise the option; and
- any amounts expected to be payable under residual value guarantees.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in a number of property leases across the Group. These are used to maximize operational flexibility in terms of managing the investment properties used in the Group's leasing activities. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group is using the lessee's incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

(ii) Subsequent measurement

The Group measures the right-of-use assets that meet the definition of investment property using the fair value model applied to its investment property. Right of use assets linked to owner occupied buildings are measured applying the cost model relevant to that specific class of property, plant and equipment and tested for impairment.

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NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.11 Provisions

A provision is recognized when, and only when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

2.12 Share capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.13 Current and deferred income taxes

a. Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

b. Deferred tax

Deferred tax is recognized on timing differences between asset and liability book values and their tax bases at the statement of financial position date. Deferred tax is therefore mainly recognized on the difference between profit recognized on the state of progress of property programs in the consolidated financial statements and recognized on delivery for tax purposes, with internal profit restated on consolidation, and on non-deductible provisions for termination losses.

Deferred tax assets are only recognized on tax losses after taking into account the probability of their being recovered by the tax entities (companies or tax consolidation group).

Tax due and deferred is recognized in the statement of comprehensive income except where it relates to a transaction or event which is recognized directly in equity.

The tax rates used to calculate deferred tax at the statement of financial position date are those prescribed by laws in force at the statement of financial position date and which will apply when the timing differences are unwound. The impact of changes in tax rates affects the period during which the change in rates occurs, in earnings or equity where the initial deferred tax has to be recognized in equity.

After applying this to the deferred tax liabilities of the appropriate companies, the net residual value is posted to assets under the heading 'Deferred tax assets' where there is a reasonable assurance that this sum will be recovered in future years.

2.14 Prepayments

Prepayments are carried at cost less any accumulated impairment losses.

2.15 Fair value measurements

The Group measures financial instruments such as derivatives and investment property at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Financial instruments (Continued)

d. Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently are measured at amortized cost using the effective interest method. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Certain Group companies obtain deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition. The Group has elected to treat such deposits as financial liabilities in accordance with IFRS 9, and they are initially recognized at fair value. The difference between fair value and cash received is considered to be part of the minimum lease payments received for the operating lease for the recognition of rental income. The deposit is subsequently measured at amortized cost.

e. Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized as a finance cost over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of comprehensive income as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the consolidated statement of financial position.

For modified borrowings, IFRS 9 requires that a gain or loss be calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

f. Cash and cash equivalents

Cash includes cash on hand and cash at banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

2.9 Revenue Recognition

Revenue includes rental income, service charges and property management charges, and sale of redeveloped units.

Rental income from operating leases is recognized on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of the incentive is recognized over the lease term, on a straight line basis, as a reduction of rental income.

Some property management contracts may include multiple elements of service, which are provided to tenants. The Group assesses whether individual elements of service in contract are separate performance obligations. Where the contracts include multiple performance obligations, and/or lease and non-lease components, the transaction price will be allocated to each performance obligation (lease and non-lease component) based on the stand-alone selling prices. Where these selling prices are not directly observable, they are estimated based on an expected cost plus margin. In the case of fixed price contracts, the customer pays the fixed amount based on a payment schedule. If the service rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payment to customers, which are not for distinct services, this consideration may include discounts, trade allowances, rebates and amounts collected on behalf of third parties. For arrangements that include deferred payment terms that exceed twelve months, the Group adjusts the transaction price for the financing component, with the impact recognized as interest income using the effective interest rate method over the period of financing.

A receivable is recognized when services are provided as this is the point in time that consideration is unconditional because only the passage of time is required before the payment is due.

2.10 Expenses recoverable from customers

Expenses recharged to customers are recognized on an accrual basis in the period during which the expense can be contractually recovered, net of any sales tax.

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NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.8 Financial instruments (Continued)

a) Investments and other financial assets (continued)

(iii) Measurement (continued)

- Amortized cost: assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains (losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss.

- FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flows represent solely payments of principal and interest, are measured at FVOCI movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses. When the financial asset is derecognized, the cumulative gain or loss previously recognized in the OCI is reclassified from equity to profit and loss and recognized in other gains (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains (losses) and impairment expenses are presented in a separate line in the consolidated statement of profit and loss.

- FVPL: assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL.

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Changes in the fair value of financial assets at FVPL are recognized in net change in fair value of financial instrument at fair value through profit or loss. Impairment losses (and reversal) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group's financial assets are subject to the expected credit loss model.

For trade receivables, the Group applies the simplified approach permitted by IFRS9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, among others, the probability of insolvency or significant financial difficulties of the debtor. Impaired debts are derecognized when they are assessed as uncollectible.

Debt investment and other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

The impairment charge for debt investments at FVOCI is recognized in profit or loss and reduces the fair value loss otherwise recognized in OCI.

b. Trade receivables

Trade receivables are recognized initially at fair value and subsequently are measured at amortized cost using the effective interest method, less impairment provision. The Group holds the trade receivable with the objective to collect the contractual cash flows.

c. Financial liabilities

The Group recognizes a financial liability when it first becomes a party to the contractual rights and obligations in the contract.

All financial liabilities are initially recognized at currency, minus (in case of a financial liability that is not at FVPL) transaction costs that are directly attributable to issuing the financial liability. Financial liabilities are measured at amortized cost.

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Financial liabilities included in trade and other payables are recognized initially at fair value and subsequently at amortized cost. The fair value of a non-interest bearing liability is its discounted payment amount. If the due date of the liability is less than one year, discounting is omitted.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.7 Investment properties (Continued)

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. Valuations are performed as of the financial position date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

The fair value of investment property reflects among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Changes in fair value are recognized in the income statement. Investment properties are derecognized when they have been disposed.
Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognized in income statement to the extent that it reverses a previous impairment loss, with any remaining increase recognized in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognized revaluation surplus, with any remaining decrease charged to income statement.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

2.8 Financial instruments

a) Investments and other financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ""OCI"" or through profit and loss); and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on the trade date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

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NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.5 Intangible assets (continued)

The amortization rates are as follows:

	Depreciation rate
Investigation	10%
Development	10%
Administrative concessions	10%
Industrial property	10%
Transfer rights	10%
Computer applications	25%

Research costs are expected as incurred. Development costs are capitalized as intangible assets when the following can be demonstrated:

(i) the technical feasibility of the project and the availability of the adequate resources for the completion of the intangible assets;
(ii) the ability of the assert to generate future economic benefits;
(iii) the ability to measure reliably the expenditures attributable to the assets; and
(iv) the feasibility and intention of the Group to complete the intangible asset and use or sell it.

2.6 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services for rental to others (excluding investment properties), or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of such land and buildings is credited to the properties revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued buildings is recognized in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the group's accounting policy. Depreciation of these assets, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognized so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following base:

	Depreciation rate
Technical installations	12%
Machinery	12%
Sign installations	10%
Other facilities	10%
Furniture	10%
Computer equipment	20%
Other fixed assets	25%

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The building is amortised over a useful life of 44 years and land is not depreciated.

2.7 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property. Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Consolidation (continued)

c) Property acquisitions and business combinations

Accounting for business combinations - The Group may elect to apply the optional concentration test in IFRS 3 to assess whether an acquisition must be accounted for as a business combination. When substantially all of the fair value of the gross assets acquired is concentrated in a single asset (or a group of similar assets), the transaction is accounted for as an asset acquisition. The consideration paid is allocated to the identifiable assets and liabilities acquired on the basis of their relative fair values at the acquisition date. Where an acquisition does not satisfy the concentration test and the acquired set of activities meets the definition of a business, the Group applies the acquisition method of accounting.

2.4 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euros, which is the Company's functional currency and the Group's presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss for the year.
Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within finance costs and finance income respectively, unless they are capitalized. All other foreign exchange gains and losses are presented net in the statement of comprehensive income.

c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial position;

(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions). The Group is using monthly average exchange rates due to the increased volatility in exchange rates; and

(iii) all resulting exchange differences are recognized in the statement of comprehensive income.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation) all of the exchange differences accumulated in equity in respect of that operation attributable to the equity holders of the company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognized in profit or loss.

Fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

2.5 Intangible assets

Intangible assets acquired separately are recorded at cost on initial recognition, with the addition of direct acquisition costs. Intangible assets acquired in a business combination are measured at fair value as of the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and less any accumulated impairment losses. Intangible assets have either definite or indefinite useful lives.

Assets with definite useful lives are amortized over their useful lives and tested for signs that would indicate impairment in value. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least once a year. Changes in the expected useful life or in the expected pattern of consumption of future economic benefits that are expected to derive from the asset are treated as a change in an accounting estimate which is treated prospectively.

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NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.3 Consolidation

a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

All the Group companies have 31 December as their year-end. Consolidated financial statements are prepared using uniform accounting policies for like transactions. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The list of consolidated entities as of 31 December 2023 is as follows:

Name of company	Country of incorporation	Holding (%) 31 December 2023	Holding (%) 31 December 2022
Lingotto Retail S.r.l.	Italy	85,00%	85,00%
8 Gallery Immobiliare S.r.l.	Italy	85,00%	85,00%
TCB Co-Investment S.à r.l.	Luxembourg	56,70%	56,70%
La Touche S.à r.l.	Luxembourg	100,00%	100,00%
Taastrup Investment S.à r.l.	Luxembourg	100,00%	100,00%
Stirling Investment S.à r.l.	Luxembourg	100,00%	100,00%
Taastrup G.P. S.à r.l.	Luxembourg	100,00%	100,00%
Beaufort S.A.S.	France	100,00%	100,00%
Colombo Investment S.à r.l.	Luxembourg	100,00%	100,00%
Castillo Investment S.à r.l.	Luxembourg	100,00%	100,00%
DK Hoje Taastrup A03 K/S	Denmark	100,00%	100,00%
DK Hoje Taastrup A04 K/S	Denmark	100,00%	100,00%
Rhineland Investment S.à r.l.	Luxembourg	100,00%	100,00%
Guildford Investment S.à r.l. (1)	Luxembourg	-	100,00%
Guildford Investment 2 S.à r.l. (1)	Luxembourg	-	100,00%
Coolsingel Investment Devco B.V.	Netherlands	100,00%	100,00%
Castillo Logistics SCCV	France	100,00%	100,00%
Svea Artilleri Löjtnant AB (2)	Sweden	100,00%	-
GNSWE Svea Artilleri Holding AB (2)	Sweden	100,00%	-
Fastighets AB Knall (2)	Sweden	100,00%	-
Hollingbury S.L (2)	Spain	95,00%	-
Hotel Sofia Bcn Propco S.L. (2)	Spain	95,00%	-
Hotel Sofia Barcelona OpCo S.L. (2)	Spain	95,00%	-

(1) Guildford Investment S.à r.l. and Guildford Investment 2 S.à r.l. were liquidated on 7 December 2023

(2) Svea Artilleri Löjtnant AB was incorporated and acquired GNSWE Atilleri Löjtnant Holding AB and Fastinghets Knall on 5 January 2023, as part of project Athena. Additionally, Hollingbury S.L. was incorporated on 24 March 2023 and acquired Hotel Sofia Propco and Hotel Sofia Opco on 31 March 2023.

Intercompany transactions, balances and unrealized gains or losses on transactions between Group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Groups accounting policies.

b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Change in accounting policies and disclosure (continued)

New and amended IFRS Standards in issue but not yet effective (continued)

c) Amendments to IAS 1 Non-current liabilities with covenants (continued)

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024.
Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.
The Group anticipates that the application of these amendments will not have an impact on the group's consolidated financial statements in future periods.

d) Amendments to IAS 7 and IFRS 7 Supplier finance arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.
The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.
The Group anticipates that the application of these amendments may not have an impact on the group's consolidated financial statements in future periods.

e) Amendments to IFRS 16 Leases – Lease liability in a sale and leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.
The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.
As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.
The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.
A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.
The Group anticipates that the application of these amendments will not have an impact on the group's consolidated financial statements in future periods.

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NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Change in accounting policies and disclosure (continued)

New and amended IFRS Standards that are effective from 1 January 2023 (continued)

d) Amendment to IAS 12 - International tax reform - pillar two model rules (continued)

The amendments also require affected companies to disclose:

- the fact that they have applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes;
- their current tax expense (if any) related to the Pillar Two income taxes, and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand an entity's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, entities are instead required to disclose a statement to that effect and information about their progress in assessing the exposure.

e) IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.
IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.
The Group does not have any contracts that meet the definition of an insurance contract under IFRS 17.

New and amended IFRS Standards in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

a) Amendments to IFRS 10 and IAS 28 Sale or contribution of assets between and investor and its associate or joint venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.
The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Group anticipates that the application of these amendments may have an impact on the group's consolidated financial statements in future periods should such transactions arise.

b) Amendments to IAS 1 Classification of liabilities as current or non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.
The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.
The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.
The Group anticipates that the application of these amendments will not have an impact on the group's consolidated financial statements in future periods.

c) Amendments to IAS 1 Non-current liabilities with covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date). The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

2.2 Change in accounting policies and disclosure (continued)

New and amended IFRS Standards that are effective from 1 January 2023 (continued)

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

• A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

– Right-of-use assets and lease liabilities

– Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

• The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

b) Amendments to IAS 8 "Accounting policies, Changes in Accounting Estimates and Errors" – Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

• A change in accounting estimate that results from new information or new developments is not the correction of an error

• The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

c) Amendments to IAS 1 "Presentation of Financial Statements" and IFRS "Practice Statement 2 Making Materiality Judgements" – Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

d) Amendment to IAS 12 - International tax reform - pillar two model rules

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules (the Global Anti-Base Erosion Proposal, or 'GloBE') to reform international corporate taxation. Large multinational enterprises within the scope of the rules are required to calculate their GloBE effective tax rate for each jurisdiction where they operate. They will be liable to pay a top-up tax for the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate.

In May 2023, the IASB made narrow-scope amendments to IAS 12 which provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

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NOTE 1 - GENERAL INFORMATION

Pan European Value Added Venture II S.C.A. (the "Company") and its subsidiaries (together "the Group" or the "Fund") hold assets in Italy, UK, Denmark, Ireland, France, Sweden and Spain as at December 31, 2023.

The Company is a partnership limited by shares ("société en commandite par actions") governed by the laws of the Grand Duchy of Luxembourg and was incorporated on April 06, 2018.

The Company has been established to implement value-added real estate strategies within targeted European countries in the following principal assets types:
- commercial (offices, retail, logistics..),
- alternative (healthcare, hospitality, residential...).

The financial year of the Group starts on January 1st and ends on December 31st of each year. The Group's accounts are prepared in Euro.

As from June 01, 2022, the registered office changed from 21, Boulevard Grande-Duchesse Charlotte, L-1331 Luxembourg to 2-4 rue Eugène Ruppert, L-2453 Luxembourg.

These consolidated financial statements have been approved for issuance by the General Partner on June 05, 2024.

NOTE 2 - SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

2.1 Basis of preparation

Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union (IFRS).

Income and cash flow statement

The Group has elected to present a statement of comprehensive income.

The Group reports cash flows from operating activities using the indirect method. Interest received is presented within investing cash flows; interest paid is presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group's business activities.

Preparation of the consolidated financial statements

The consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention, except for the measurement of investment property and derivative financial instruments at fair value.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Changes in assumptions may have a significant impact on the consolidated financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.2 Change in accounting policies and disclosure

New and amended IFRS Standards that are effective from 1 January 2023

a) Amendments to IAS 12 "Income Taxes" – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

PAN EUROPEAN VALUE ADDED VENTURE II S.C.A.
Société en Commandite par Actions
RCS Luxembourg: B-224 010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023 (expressed in Euros)

	Notes	Year ended 2023	Year ended 2022
CASH FLOW FROM OPERATING ACTIVITIES			
Gains/ (Loss) before income tax		*(74.830.965)*	*(14.846.765)*
Adjustments for:			
Net gain/ (loss) from fair value adjustment on investment property	7	40.234.725	(2.930.073)
Revaluation loss on property, plant and equipment	6	11.708.907	-
Bad debt provision/ provisions	10	1.271.845	5.558.983
Finance costs	21	17.452.231	15.043.861
Net change in fair value on financial instruments at fair value through profit or loss	8	5.873.730	(1.552.316)
Net (gain)/ loss from disposal of properties		1.830.053	2.587.231
Depreciation and amortisation	5,6	1.898.992	-
Impairment of Goodwill	5	4.494.000	-
Change in working capital			
(Increase) / decrease in trade receivables before bad debt provision		(27.508.272)	13.556.254
Increase / (decrease) in trade and other payables		22.928.161	(7.223.024)
CASH GENERATED FROM OPERATIONS		**5.353.407**	**10.194.151**
Interest paid		(12.051.522)	(27.952.054)
Income tax paid		(927.965)	(100.849)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES		**(7.626.080)**	**(17.858.752)**
CASH FLOW FROM INVESTING ACTIVITIES			
			-
Acquisition of new investment properties	7	(120.155.847)	(43.211.857)
Capital expenditure on investment property	6 7	(44.371.565)	(13.756.764)
Sale of investment properties	7	11.122.251	409.760.365
Upfront payment on derivatives	8	(3.750.000)	(354.556)
Interest received	21	4.834.765	1.125.429
Acquisition of subsidiary, net of cash acquired		(80.767.000)	
NET CASH (USED IN) / FROM INVESTING ACTIVITIES		**(233.087.396)**	**353.562.617**
CASH FLOWS FROM FINANCING ACTIVITIES			
Share capital and share premium received from investors	12	194.000.000	20.432
Share premium repayment to investors		-	(72.883.189)
Proceeds from shareholder borrowings	13	-	20.202.573
Reimbursement of borrowings	13	(25.765.881)	(161.540.642)
Net proceeds from borrowings	13	84.036.352	8.946.731
Lease payments	7	(696.056)	(692.328)
Proceeds from non-controlling investors			
- From capital calls		4.484.927	1.118.000
- From shareholder's loans	14	-	(14.163.848)
Distribution to non-controlling investors			(98.542.849)
NET CASH FROM FINANCING ACTIVITIES		**256.059.342**	**(317.535.120)**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**15.345.866**	**18.168.745**
Cash and cash equivalents at beginning of the year		41.409.606	24.784.489
Exchange losses		512.619	(1.543.628)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**57.268.091**	**41.409.606**

The accompanying notes form an integral part of these consolidated financial statements.

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PAN EUROPEAN VALUE ADDED VENTURE II S.C.A.
Société en Commandite par Actions
RCS Luxembourg: B-224 010

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023
(expressed in Euros)

		Attributable to equity holders of the Company						
	Notes	Share capital	Share premium	Translation reserve	Other reserves	Retained earnings	Non-controlling interests	Total equity
Balance at 31 December 2021		**11.336.837**	**101.761.905**	**464.571**	**-**	**(20.215.373)**	**75.529.434**	**168.877.374**
Comprehensive income for 2022:								
Attributable to equity holders		-	-	-	-	(8.402.508)	-	(8.402.508)
Attributable to non-controlling interests		-	-	-	-	-	8.237.426	8.237.426
Transfer to other reserves		-	(711.826)	-	711.826	-	-	-
Other comprehensive income for 2022:								
Attributable to equity holders		-	-	(1.543.628)	-	-	-	(1.543.628)
Attributable to non-controlling interests		-	-	-	-	-	-	-
Transaction with owners:								
Share capital and share premium	12	20.431	(72.171.363)	-	-	-	-	(72.150.932)
Non-controlling interests								
Change in perimeter: Sale of TCB S.à.r.l.		-	-	-	-	-	(22.618.594)	(22.618.594)
Increase of capital		-	-	-	-	-	1.118.000	1.118.000
Advance on liquidation proceeds		-	-	-	-	-	(65.286.144)	(65.286.144)
Balance at 31 December 2022		**11.357.268**	**28.878.716**	**(1.079.057)**	**711.826**	**(28.617.881)**	**(3.019.878)**	**8.230,994**
Comprehensive income for 2023:								
Attributable to equity holders		1	-	-	-	(67.143.198)	-	(67.143.197)
Attributable to non-controlling interests		-	-	-	-	-	2.303.565	2.303.565
Transfer to other reserves		-	-	-	-	-	-	-
Change in consolidation scope		-	-	-	(479)	(6.323)	-	(6.802)
Other comprehensive income for 2023:								
Attributable to equity holders		-	-	512.619	-	-	-	512.619
Attributable to non-controlling interests		-	-	-	-	-	-	-
Transaction with owners:								
Capital contribution	12	19.400.000	174.600.000	-	-	-	-	194.000.000
Non-controlling interests:								
Change in consolidation perimeter: Hollingbury		-	-	-	-	-	4.151.761	4.151.761
Capital contribution		-	-	-	-	-	333.166	333.166
Other movements		-	-	-	-	-	(65.529)	(65.529)
Balance at 31 December 2023		**30.757.269**	**203.478.716**	**(566.438)**	**711,347**	**(95.767.402)**	**3.703.085**	**142.316.577**

The accompanying notes form an integral part of these consolidated financial statements.

PAN EUROPEAN VALUE ADDED VENTURE II S.C.A.
Société en Commandite par Actions
RCS Luxembourg: B-224 010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023
(expressed in Euros)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Revenue, net of recoverable services charges	17	48.630.120	21.291.834
Other income	18	167.550	-
Net gain/ (loss) from fair value adjustment on investment property	7	(40.234.725)	2.930.073
Net gain/ (loss) from disposal of properties		(1.830.053)	(2.587.231)
Revaluation loss on property, plant and equipment	6	(11.708.907)	-
Depreciation and amortization expenses	5,6	(1.898.992)	-
Impairment of goodwill	5	(4.494.000)	-
Administrative expenses	19	(8.497.959)	(14.525.955)
Net change in fair value on financial instruments at fair value through profit or loss	8	(5.873.730)	1.552.316
Other expenses	20	(31.638.038)	(8.463.945)
Operating income/ (loss)		**(57.378.734)**	**197.092**
Finance income	21	5.807.382	1.125.430
Finance costs	21	(23.259.613)	(16.169.287)
Finance costs – net		**(17.452.231)**	**(15.043.857)**
Loss before income tax		**(74.830.965)**	**(14.846.765)**
Income tax expense	9	9.991.332	14.681.683
Loss for the year		**(64.839.633)**	**(165.082)**
Other comprehensive loss		512.619	(1.543.628)
Total comprehensive loss for the year		**(64.327.014)**	**(1.708.710)**
Loss attributable to:			
- Equity holders of the parent		**(67.143.198)**	**(8.402.508)**
- Non-Controlling interests		**2.303.565**	**8.237.426**
Total comprehensive loss attributable to:			
- Equity holders of the parent		**(66.630.579)**	**(9.946.136)**
- Non-controlling interests		**2.303.565**	**8.237.426**

The accompanying notes form an integral part of these consolidated financial statements.

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PAN EUROPEAN VALUE ADDED VENTURE II S.C.A.
Société en Commandite par Actions
RCS Luxembourg: B-224 010

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023
(expressed in Euros)

	Notes	31 December 2023	31 December 2022
ASSETS			
Non-Current Assets			
Other intangible assets	5	253.971	-
Property, plant and equipment	6	188.400.000	-
Investment property	7	375.226.886	268.618.093
Derivative financial instruments	8	-	1.742.300
Other receivables	10	2.456.779	1.037.509
		566.337.636	**271.397.902**
Current Assets			
Derivative financial instruments	8	4.694.764	-
Trade and other receivables	10	36.127.933	10.038.931
Cash and cash equivalents	11	57.268.091	41.409.606
		98.090.788	**51.448.537**
TOTAL ASSETS		**664.428.424**	**322.846.439**
EQUITY			
Equity attributable to equity holders of the company			
Share capital	12	30.757.269	11.357.269
Share premium	12	203.478.716	28.878.716
Translation reserve		(566.438)	(1.079.057)
Other reserves		711.347	711.826
Retained earnings		(95.767.402)	(28.617.883)
		138.613.492	**11.250.871**
Non-controlling interests		3.703.085	(3.019.878)
TOTAL EQUITY		**142.316.577**	**8.230.993**
LIABILITIES			
Non-Current Liabilities			
Borrowings	13	279.092.681	130.538.962
Shareholders loans	13	144.026.932	144.033.833
Trade and other payables	15	6.631	-
Other payable	14	7.444.790	7.444.790
Provisions	16	2.222.141	3.661.536
Lease liabilities	7	15.975.021	15.695.402
Derivative financial instruments	8	1.187.625	-
Deferred income tax liabilities	9	16.663.969	707.792
		466.619.790	**302.082.315**
Current Liabilities			
Trade and other payables	15	30.640.144	7.711.983
Borrowings	13	5.788.565	4.230
Shareholder's loan interests	13	11.051.560	1.537.203
Lease liabilities	7	1.154	3.207
Other payable	14	3.146.058	2.504.462
Derivative financial instruments	8	4.175.455	-
Current income tax liabilities	9	689.121	772.046
		55.492.057	**12.533.131**
TOTAL LIABILITIES		**522.111.847**	**314.615.446**
TOTAL EQUITY AND LIABILITIES		**664.428.424**	**322.846.439**

The accompanying notes form an integral part of these consolidated financial statements.

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- 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the General Partner.

- Conclude on the appropriateness of the General Partner's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "*réviseur d'entreprises agréé*" to the related disclosures in the consolidated 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 report of the "*réviseur d'entreprises agréé*". However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Luxembourg, 5 June 2024

For Forvis Mazars, Cabinet de révision agréé
5, rue Guillaume J. Kroll
L-1882 LUXEMBOURG

DocuSigned by:
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Géraldine CANETTE
Réviseur d'entreprises agréé

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Other information

The General Partner is responsible for the other information. The other information comprises the information stated in the consolidated annual report but does not include the consolidated financial statements and our report of the "*réviseur d'entreprises agréé*" thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the General Partner and Those Charged with Governance for the Consolidated Financial Statements

The General Partner is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the General Partner determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, General Partner is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "*réviseur d'entreprises agréé*" for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "*réviseur d'entreprises agréé*" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can 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 taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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.

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PAN EUROPEAN VALUE ADDED VENTURE II S.C.A.

To the General Partner
R.C.S. Luxembourg B224010
2-4, Rue Eugène Ruppert
L - 2453 LUXEMBOURG

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **PAN EUROPEAN VALUE ADDED VENTURE II S.C.A.** and its subsidiaries (the «Group»), which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "*Commission de Surveillance du Secteur Financier*" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "*réviseur d'entreprises agréé*" for the Audit of the Consolidated Financial Statements » section of our report.

We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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PAN EUROPEAN VALUE ADDED VENTURE II S.C.A.
Société en Commandite par Actions
RCS Luxembourg: B-224 010

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PAN EUROPEAN VALUE ADDED VENTURE II S.C.A.

Société en Commandite par Actions
2-4, rue Eugène Ruppert, L-2453 Luxembourg
RCS Luxembourg: B-224 010
Share capital € 30 757 269
Annual Report

For the year ended 31 December 2023

[redacted]

Joacim Frykvall
3/10-24, Stockholm
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