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Årsredovisning

för

Svea Artilleri Löjtnant AB

559412-5873

Räkenskapsåret

2024

Fastställelseintyg

Undertecknad styrelseledamot i Svea Artilleri Löjtnant AB intygar att resultaträkningen och balansräkningen i årsredovisningen har fastställts på årsstämma 30 juni, 2025. Årsstämman beslutade att godkänna styrelsens förslag till resultatdisposition.

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

Stockholm, 30 juni, 2025

Gustaf Hansson

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Årsredovisning

för

Svea Artilleri Löjtnant AB

559412-5873

Räkenskapsåret

2024

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Styrelsen för Svea Artilleri Löjtnant AB avger följande årsredovisning för räkenskapsåret 2024.

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 räkenskapsåret har det skett en omvänd fusion där dotterbolaget, Svea Artilleri Löjtnant Holding AB, org.nr 559156-8455, har fusionerats med sitt dotterbolag Fastighets AB Knall, org.nr 556649-7557. Efter fusionen äger Svea Artilleri Löjtnant AB, fastighetsbolaget Fastighets AB Knall, org.nr 556649-7557. Fusionen gick igenom per 2024-07-19.

En nedskrivning av andelarna i dotterbolaget Fastighets AB Knall har gjorts med 76 224 265 kronor. Nedskrivningen har gjorts mot bakgrund av att det bedömda återvinningsvärde understiger det bokförda värdet.

Återvinningsvärdet har i detta fall beräknats utifrån bolagets justerade substansvärde, där en väsentlig del utgörs av fastigheter. Fastigheternas marknadsvärde har bedömts utifrån externa värderingar och aktuella marknadsförhållanden. Värderingen visar på ett betydligt lägre substansvärde än det bokförda värdet på andelarna.

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)	**2024**	**2022/23** (13 mån)
Nettoomsättning	0	0
Balansomslutning	605 981	703 200
Soliditet (%)	99,9	97,1

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Förslag till vinstdisposition

Styrelsen föreslår att till förfogande stående vinstmedel (kronor):

balanserad vinst	682 651 412
årets förlust	-77 076 737
	605 574 675
disponeras så att	
i ny räkning överföres	605 574 675
	605 574 675

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

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Resultaträkning

	Not	2024-01-01 -2024-12-31	2022-12-15 -2023-12-31 (13 mån)
Rörelsens kostnader			
Övriga externa kostnader	3	-892 187	-530 159
		-892 187	**-530 159**
Rörelseresultat		**-892 187**	**-530 159**
Resultat från finansiella poster			
Resultat från andelar i koncernföretag		-76 224 265	0
Övriga ränteintäkter och liknande resultatposter	4	42 051	184 057
Räntekostnader och liknande resultatposter		-2 337	-2 486
		-76 184 550	**181 571**
Resultat efter finansiella poster		**-77 076 737**	**-348 588**
Resultat före skatt		**-77 076 737**	**-348 588**
Skatt på årets resultat	5	0	0
Årets resultat		**-77 076 737**	**-348 588**

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Balansräkning

	Not	2024-12-31	2023-12-31
TILLGÅNGAR			
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	6	538 665 236	615 601 405
Fordringar hos koncernföretag	7	45 409 598	46 845 833
		584 074 834	**662 447 238**
Summa anläggningstillgångar		**584 074 834**	**662 447 238**
Omsättningstillgångar			
Kassa och bank		21 905 920	40 752 903
Summa omsättningstillgångar		**21 905 920**	**40 752 903**
SUMMA TILLGÅNGAR		**605 980 754**	**703 200 141**

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Balansräkning

	Not	2024-12-31	2023-12-31
EGET KAPITAL OCH SKULDER			
Eget kapital			
Bundet eget kapital			
Aktiekapital		25 000	25 000
		25 000	**25 000**
Fritt eget kapital			
Balanserad vinst eller förlust		682 651 412	683 000 000
Årets resultat		-77 076 737	-348 588
		605 574 675	**682 651 412**
Summa eget kapital		**605 599 675**	**682 676 412**
Långfristiga skulder			
Skulder till koncernföretag		0	20 262 384
Summa långfristiga skulder		**0**	**20 262 384**
Kortfristiga skulder			
Leverantörsskulder		11 638	42 344
Upplupna kostnader och förutbetalda intäkter		369 441	219 001
Summa kortfristiga skulder		**381 079**	**261 345**
SUMMA EGET KAPITAL OCH SKULDER		**605 980 754**	**703 200 141**

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Rapport över förändringar i eget kapital

	Aktie-kapital	Balanserat resultat	Årets resultat	Summa eget kapital
Aktikapital	25 000			25 000
Aktieägartillskott		683 000 000		683 000 000
Årets resultat			-348 588	-348 588
Utgående eget kapital 2023-12-31	**25 000**	**683 000 000**	**-348 588**	**682 676 412**
Ingående eget kapital 2024-01-01	**25 000**	**683 000 000**	**-348 588**	**682 676 412**
Omföring av föregående års resultat		-348 588	348 588	0
Årets resultat			-77 076 737	-77 076 737
Utgående eget kapital 2024-12-31	**25 000**	**682 651 412**	**-77 076 737**	**605 599 675**

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

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Kassaflödesanalys

	Not	2024-01-01 -2024-12-31	2022-12-15 -2023-12-31 (13 mån)
Den löpande verksamheten			
Rörelseresultat		-892 187	-530 159
Erhållen ränta		42 051	184 057
Erlagd ränta		-2 337	-2 486
Kassaflöde från den löpande verksamheten före förändring av rörelsekapital		**-852 473**	**-348 588**
Kassaflöde från förändring av rörelsekapitalet			
Förändring av leverantörsskulder		-30 706	42 344
Förändring av kortfristiga skulder		150 441	219 000
Kassaflöde från den löpande verksamheten		**-732 738**	**-87 244**
Investeringsverksamheten			
Investeringar i finansiella anläggningstillgångar		2 148 139	-662 447 237
Kassaflöde från investeringsverksamheten		**2 148 139**	**-662 447 237**
Finansieringsverksamheten			
Upptagna lån		0	20 262 384
Amortering av lån		-20 262 384	0
Inbetalt aktiekapital		0	25 000
Erhållna aktieägartillskott		0	683 000 000
Kassaflöde från finansieringsverksamheten		**-20 262 384**	**703 287 384**
Årets kassaflöde		**-18 846 983**	**40 752 903**
Likvida medel vid årets början			
Likvida medel vid årets början		40 752 903	0
Likvida medel vid årets slut		**21 905 920**	**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 årsredovisningen 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 2024

Inga ändringar av standarder 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 standarder 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. 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 inkluderar 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 och fordringar 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. 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.

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

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.

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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 händelse 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 val av avtalsvillkor, finansieringsvillkor samt affärspartners.

Likviditetsrisk
Med likviditetsrisk avses risken att sakna tillräckligt med likvida medel för att kunna fullfölja företagets betalningsåtaganden. Företagets likvida medel uppgick per den 31 december 2024 till 21 906 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

Valutarisk
Med valutarisk avses risken för negativ påverkan på företagets resultat- och balansräkning till följd 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.

Not 3 Övriga externa kostnader
Koncerninterna inköp uppgår till 0 kr.

Not 4 Övriga ränteintäkter och liknande resultatposter
Tillgångar och skulder värderade till upplupet anskaffningsvärde

	2024	**2022-12-15 -2023-12-31**
Ränteintäkter från koncernföretag	0	0
Övriga ränteintäkter	42 051	184 057
	42 051	**184 057**

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Not 5 Aktuell och uppskjuten skatt

	2024	2022-12-15 -2023-12-31
Skatt på årets resultat		
Aktuell skatt	0	0
Totalt redovisad skatt	**0**	**0**

Avstämning av effektiv skatt

		2024		2022-12-15 -2023-12-31
	Procent	**Belopp**	**Procent**	**Belopp**
Redovisat resultat före skatt		-77 076 737		-348 588
Skatt enligt gällande skattesats	20,60	15 877 808	20,60	71 809
Underskottsavdrag		-175 609		-71 809
Skatteeffekt nedskrivning		-15 702 199		0
Redovisad effektiv skatt	**0,00**	**0**	**0,00**	**0**

Not 6 Andelar i koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	615 601 405	0
Inköp	0	55 287 810
Slutgiltig köpeskillning	-711 904	0
Lämnade aktieägartillskott	0	552 327 443
Aktiverade kostnader	0	7 986 152
Utgående ackumulerade anskaffningsvärden	**614 889 501**	**615 601 405**
Ingående nedskrivningar	0	0
Årets nedskrivningar	-76 224 265	0
Utgående ackumulerade nedskrivningar	**-76 224 265**	**0**
Utgående redovisat värde	**538 665 236**	**615 601 405**

Specifikation av företagets direktägda dotterföretag framgår nedan:

Dotterföretag/ Org nr/ Säte	Antal andelar	i %	Redovisat värde
Fastighets AB Knall, 556649-7557, Stockholm	1 000	100	538 665 236

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

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Not 7 Fordringar hos koncernföretag

	2024-12-31	2023-12-31
Ingående anskaffningsvärden	46 845 833	0
Tillkommande fordringar	18 826 150	46 845 833
Omklassificeringar	-20 262 385	0
Utgående ackumulerade anskaffningsvärden	**45 409 598**	**46 845 833**
Utgående redovisat värde	**45 409 598**	**46 845 833**

Not 8 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.

Not 9 Ställda säkerheter och eventualförpliktelser

	2024-12-31	2023-12-31
Ställda säkerheter		
Aktier i dotterföretag	538 665 236	615 601 405
	538 665 236	**615 601 405**
Eventualförpliktelser		
Borgensåtagande	400 000 000	400 000 000
	400 000 000	**400 000 000**

Not 10 Väsentliga händelser efter räkenskapsårets slut

Inga väsentliga händelser har inträffat efter räkenskapsårets slut.

Den dag som framgår av vår elektroniska underskrift

Gustaf Hansson
Ordförande

Daan Oort

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

Forvis Mazars AB

Åsa Andersson Eneberg
Auktoriserad revisor

ank=20250708-20250710185542

docusign

Certificate Of Completion

Envelope Id: BD67580E-246C-464D-BC90-CD168D04963B
Status: Completed
Subject: Complete with Docusign: AR 2024 Svea Artelleri Löjtnant AB final.pdf
Source Envelope:
Document Pages: 14
Signatures: 3
Certificate Pages: 6
Initials: 0
AutoNav: Enabled
EnvelopeId Stamping: Enabled
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:
Vincent Paul Fernandes
Wergelandsveien 7
Oslo, Oslo 0167
vincentpaul.fernandes@intertrustgroup.com
IP Address: 147.161.132.110

Record Tracking

Status: Original
6/27/2025 12:49:10 AM
Holder: Vincent Paul Fernandes
vincentpaul.fernandes@intertrustgroup.com
Location: DocuSign

Signer Events

Gustaf Lars Fredrik Hansson
gustaf.hansson@intertrustgroup.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

Authentication Details
Identity Verification Details:
Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6
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: 7b46b507-0618-51eb-adb5-51759449344b
Country or Region of ID: SE
Result: Passed
Performed: 6/27/2025 1:13:52 AM

Electronic Record and Signature Disclosure:
Accepted: 6/27/2025 1:14:12 AM
ID: 3d3b7559-9b08-4469-aafb-5e10c2161703

Signature

Signed by:
Gustaf Lars Fredrik Hansson
CC8020C82AA54BD...

Signature Adoption: Pre-selected Style
Using IP Address: 185.41.241.202

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

Timestamp

Sent: 6/27/2025 12:54:57 AM
Resent: 6/27/2025 1:08:04 AM
Viewed: 6/27/2025 1:14:12 AM
Signed: 6/27/2025 1:17:24 AM

OORT Daan
daan.oort@axa-im.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

Authentication Details

Signed by:
OORT Daan
F00043819D4D49A...

Signature Adoption: Pre-selected Style
Using IP Address: 77.162.33.87

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

Sent: 6/27/2025 12:54:58 AM
Viewed: 6/27/2025 1:11:05 AM
Signed: 6/27/2025 1:11:19 AM

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Signer Events	Signature	Timestamp

Identity Verification Details:
Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6
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: 932336c2-d771-55d6-8d6e-cac94ffcfb93
Country or Region of ID: NL
Result: Passed
Performed: 6/27/2025 1:07:36 AM

Identity Verification Details:
Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6
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: 305626c6-40c9-59e2-b4bc-f31ef39d054b
Country or Region of ID: NL
Result: Passed
Performed: 6/27/2025 1:10:46 AM

Electronic Record and Signature Disclosure:
Accepted: 6/27/2025 1:11:05 AM
ID: 619788ee-64e6-41ec-a9a2-6499ba3652b3

Asa Andersson Eneberg
asa.andersson@forvismazars.com
Security Level: Email, Account Authentication (None), Digital Certificate

Signed by:
Asa Andersson Eneberg
00FF84D8A25A4F9...

Sent: 6/27/2025 1:17:25 AM
Resent: 6/28/2025 7:54:54 AM
Resent: 6/30/2025 12:55:34 AM
Resent: 6/30/2025 2:03:27 AM
Viewed: 6/30/2025 2:04:32 AM
Signed: 6/30/2025 2:04:53 AM

Signature Provider Details:
Signature Type: DocuSign Protect & Sign (Client ID: dde5e85d-4085-40b6-8785-da3ccd16d81e)
Signature Adoption: Pre-selected Style
Using IP Address: 217.16.197.190

Signature Issuer: DocuSign Cloud Signing CA - SI1
Signature Provider Location: https://ps-ws.dsf.docusign.net/ds-server/s/noauth/psm/tsp/sign/psm-docusign/2PSIGAES/SERVID02

Authentication Details
Identity Verification Details:
Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6
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: 1acd30a1-f064-578d-83e4-39898d7e246c
Country or Region of ID: SE
Result: Failed - incorrect signer name
Performed: 6/30/2025 1:55:28 AM

Identity Verification Details:
Workflow ID: 6b2d3c20-6e49-4c91-b1d1-5bd580d827b6
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: 0fa1aaca-810f-5a5c-9a4b-956f27e82879
Country or Region of ID: SE
Result: Passed
Performed: 6/30/2025 2:04:17 AM

Electronic Record and Signature Disclosure:
Accepted: 6/30/2025 2:04:32 AM
ID: 6c908fe1-4c3a-4a18-bf39-ea4db451eaab

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

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Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	**Status**	**Timestamp**
Certified Delivery Events	**Status**	**Timestamp**
Carbon Copy Events	**Status**	**Timestamp**
Joacim Frykvall, Aysegul Tural aysegul.tural@intertrustgroup.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Not Offered via Docusign	**COPIED**	Sent: 6/27/2025 12:54:59 AM Viewed: 6/27/2025 12:55:29 AM
KOLEDOYE Adebimpe bim.koledoye@axa-im.com Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 6/24/2025 1:57:48 AM ID: 05b3dff0-a55f-4b81-9c70-01a343428e1f	**COPIED**	Sent: 6/27/2025 12:54:58 AM
Morten Hansen Morten.Hansen@intertrustgroup.com Director Security Level: Email, Account Authentication (None) **Electronic Record and Signature Disclosure:** Accepted: 6/30/2025 1:46:44 AM ID: b9b80300-c6de-4c68-868d-009d7f795329	**COPIED**	Sent: 6/27/2025 12:54:59 AM Viewed: 6/27/2025 1:14:16 AM

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

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	6/27/2025 12:55:00 AM
Envelope Updated	Security Checked	6/27/2025 1:08:04 AM
Envelope Updated	Security Checked	6/27/2025 1:08:04 AM
Envelope Updated	Security Checked	6/30/2025 2:03:27 AM
Certified Delivered	Security Checked	6/30/2025 2:04:32 AM
Signing Complete	Security Checked	6/30/2025 2:04:53 AM
Completed	Security Checked	6/30/2025 2:04:53 AM

Payment Events	Status	Timestamps

Electronic Record and Signature Disclosure

Electronic Record and Signature Disclosure created on: 6/28/2024 2:23:52 AM
Parties agreed to: Gustaf Lars Fredrik Hansson, OORT Daan, Asa Andersson Eneberg, KOLEDOYE Adebimpe, Morten Hansen

ank=20250710185458-20250710185545

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to dominika.knecht@intertrustgroup.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

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ii. send us an email to dominika.knecht@intertrustgroup.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: https://support.docusign.com/guides/signer-guide-signing-system-requirements.

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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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- You can access and read this Electronic Record and Signature Disclosure; and
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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 år 2024.

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 2024-12-31 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 företaget 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: UF61Q-M2XPG-IE5L3-CCTQ3-524K3-Q4XMZ

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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 år 2024 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 företaget 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.

Forvis Mazars AB

Åsa Andersson Eneberg
Auktoriserad revisor

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

Åsa Andersson Eneberg
Revisor
På uppdrag av: Forvis Mazars AB
Serienummer: 33b12600b17892[...]e2e89acdb6740
IP: 217.16.xxx.xxx
2025-06-30 09:06:29 UTC

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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 € 36 557 269
Annual Report

For the year ended 31 December 2024

Certified to be a true copy of the original

Joacim Frykvall
20250819
070 0815281

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

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forvis mazars

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To the Shareholders of
PAN EUROPEAN VALUE ADDED VENTURE II S.C.A.
Société en commandite par actions

R.C.S. Luxembourg B224010

2-4, Rue Eugène Ruppert
L - 2453 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

We have audited the consolidated financial statements of **PAN EUROPEAN VALUE ADDED VENTURE II S.C.A.** and its subsidiaries (the «Group»), wh·ch comprise the consolidated statement of financial position as at 31 December 2024, 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 give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, 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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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, the 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.

- Obtain an understand-ng 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 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 sign-ficant 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, 7 May 2025

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

Signed by:
Valentin CIUDIN
39FC54CC10A941B

Valentin CIUDIN
Réviseur d'entreprises agréé

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 2024
(expressed in Euros)

	Notes	31 December 2024	31 December 2023
ASSETS			
Non-Current Assets			
Other intangible assets	5	190.823	253.971
Property, plant and equipment	6	211.600.000	188.400.000
Investment property	7	457.441.966	375.226.886
Other receivables	10	2.320.066	2.456.779
		671.552.855	**566.337.636**
Current Assets			
Derivative financial instruments	8	1.250.000	4.694.764
Trade and other receivables	10	29.363.087	36.127.933
Cash and cash equivalents	11	59.620.145	57.268.091
		90.233.232	**98.090.788**
TOTAL ASSETS		**761.786.087**	**664.428.424**
EQUITY			
Equity attributable to equity holders of the company			
Share capital	12	36.557.269	30.757.269
Share premium	12	255.678.716	203.478.716
Translation reserve		(1.664.972)	(566.438)
Other reserves		10.906.703	711.347
Retained earnings		(107.320.688)	(95.767.402)
		194.157.028	**138.613.492**
Non-controlling interests		24.076.895	3.703.085
TOTAL EQUITY		**218.233.923**	**142.316.577**
LIABILITIES			
Non-Current Liabilities			
Borrowings	13	297.710.197	279.092.681
Shareholders' loans	13	144.026.932	144.026.932
Trade and other payables	15	-	6.631
Other payable	14	-	7.444.790
Provisions	16	2.668.695	2.222.141
Lease liabilities	7	16.741.548	15.975.021
Derivative financial instruments	8	2.804 541	1.187.625
Deferred income tax liabilities	9	22.468.113	16.663.969
		486.420.026	**466.619.790**
Current Liabilities			
Trade and other payables	15	37.112.550	30.640.144
Borrowings	13	1.223.533	5.788.565
Shareholder's loan interests	13	17.877.912	11.051.560
Lease liabilities	7	2.157	1.154
Other payable	14	-	3.146.058
Derivative financial instruments	8	611.686	4.175.455
Current income tax liabilities	9	304.300	689.121
		57.132.138	**55.492.057**
TOTAL LIABILITIES		**543.552.164**	**522.111.847**
TOTAL EQUITY AND LIABILITIES		**761.786.087**	**664.428.424**

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 2024
(expressed in Euros)

	Notes	Year ended 31 December 2024	Year ended 31 December 2023
Revenue, net of recoverable services charges	17	61.952.652	48.630.120
Other income	18	18.937	167.550
Net gain/ (loss) from fair value adjustment on investment property	7	940.700	(40.234.725)
Net gain/ (loss) from disposal of properties	7	(1.250.241)	(1.830.053)
Revaluation loss on property, plant and equipment	6	3.847.765	(11.708.907)
Depreciation and amortization expenses	5,6	(449.342)	(1.898.992)
Impairment of goodwill	5	-	(4.494.000)
Administrative expenses	19	(8.231.742)	(8.497.959)
Net change in fair value on financial instruments at fair value through profit or loss	8	1.253.131	(5.873.730)
Other expenses	20	(38.809.541)	(31.638.038)
Operating income/ (loss)		**19.272.319**	**(57.378.734)**
Finance income	21	10.210.024	5.807.382
Finance costs	21	(28.600.276)	(23.259.613)
Finance costs – net		**(18.390.252)**	**(17.452.231)**
Income / (loss) before income tax		**882.067**	**(74.830.965)**
Income tax expense	9	(7.796.134)	9.991.332
Loss for the year		**(6.914.067)**	**(64.839.633)**
Other comprehensive loss		(1.098.534)	512.619
Total comprehensive loss for the year		**(8.012.601)**	**(64.327.014)**
Loss attributable to:			
- Equity holders of the parent		**(11.553.286)**	**(67.143.198)**
- Non-Controlling interests		**4.639.218**	**2.303.565**
Total comprehensive loss attributable to:			
- Equity holders of the parent		**(12.651.819)**	**(66.630.579)**
- Non-controlling interests		**4.639.218**	**2.303.565**

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 CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024
(expressed in Euros)

		Attributable to equity holders of the Company							
	Notes	Share capital	Share premium	Translation reserve	Revaluation reserve	Other reserves	Retained earnings	Non-controlling interests	Total equity
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						-	-	-	-
Changes in consolidation scope		-	-			(479)	(6.323)		(6.802)
Other comprehensive income for 2023:									
Attributable to equity holders									
Attributable to non controlling interests		-	-	512.619	-	-	-	-	512.619
		-	-	-	-	-	-	-	-
Transaction with owners:									
Share capital and share premium	12	19.400.000	174.600.000	-	-	-	-	-	194.000.000
Non-controlling interests									
Change in perimeter: Hollingbury		-	-	-	-	-	-	4.151.761	4.151.761
Capital contributions		-	-	-	-	-	-	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**
Comprehensive income for 2024:									
Attributable to equity holders							(11.553.286)		(11.553.286)
Attributable to non-controlling interests								4.639.219	4.639.219
Other comprehensive income for 2024:									
Attributable to equity holders				(1.098.534)		(766.655)			(1.865.189)
Revaluation surplus					10.962.011			576.948	11.538.959
Attributable to non-controlling interests								(40.350)	(40.350)
Transaction with owners:									
Capital contribution	12	5.800.000	52.200.000						58.000.000
Non-controlling interests:									
Change in consolidation perimeter								16.517.349	16.517.349
Capital contribution:								-	-
- Hollingbury								164.345	164.345
- Torre Norte								3.588.000	3.588.000
Distribution – TCB Co -invest minorities								(2.076.776)	(2.076.776)
Prior year adjustment – TCB Co-invest								(2.994.925)	(2.994.925)
Balance at 31 December 2024		**36.557.269**	**255.678.716**	**(1.664.972)**	**10.962.011**	**(55.308)**	**(107.320.688)**	**24.076.895**	**218.233.923**

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 CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024
(expressed in Euros)

	Notes	Year ended 2024	Year ended 2023
CASH FLOW FROM OPERATING ACTIVITIES			
Gains/ (Loss) before income tax		882.067	(74.830.965)
Adjustments for:			
Net gain/ (loss) from fair value adjustment on investment property	7	(940.700)	40.234.725
Revaluation loss on property, plant and equipment	6	(3.847.765)	11.708.907
Bad debt provision/ provisions	16	446.554	1.271.845
Finance costs	21	23.817.231	23.259.613
Finance income	21	(7.282.463)	(5.807.382)
Net change in fair value on financial instruments at fair value through profit or loss	8	(1.253.131)	5.873.730
Net (gain)/ loss from disposal of properties	7	1.250.241	1.830.053
Depreciation and amortisation	5,6	449.342	1.898.992
Impairment of Goodwill	5	-	4.494.000
Change in working capital			
(Increase) / decrease in trade receivables before bad debt provision*		15.695.214	(27.508.272)
Increase / (decrease) in trade and other payables*		(10.592.711)	22.928.161
CASH GENERATED FROM OPERATIONS		**18.623.878**	**5.353.407**
Interest paid		(17.086.710)	(12.051.522)
Income tax paid		(2.376.809)	(927.965)
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES		**(839.641)**	**(7.626.080)**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangible asset	5	(6.574)	-
Purchase of property, plant and equipment	6	(8.194.341)	-
Acquisition of new investment properties*	7	(14.653.783)	(120.155.847)
Capital expenditure on investment property	7	(26.587.700)	(44.371.565)
Sale of investment properties	7	6.604.986	11.122.251
Upfront payment on derivatives	8	(2.500.000)	(3.750.000)
Interest received	21	2.927.561	4.834.765
Acquisition of subsidiary, net of cash acquired		(23.418.258)	(80.767.000)
NET CASH (USED IN) / FROM INVESTING ACTIVITIES		**(65.828.109)**	**(233.087.396)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Share capital and share premium received from investors	12	58.000.000	194.000.000
Payment of debt issue costs*	13	(49.809)	-
Reimbursement of borrowings	13	(5.785.998)	(25.765.881)
Net proceeds from borrowings	13	16.793.608	84.036.352
Lease payments	7	(715.033)	(696.056)
Proceeds from non-controlling investors			
From capital calls		3.952.345	4.484.927
Distribution to non controlling investors		(2.076.776)	-
NET CASH FROM FINANCING ACTIVITIES		**70.118.337**	**256.059.342**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**3.450.588**	**15.345.866**
Cash and cash equivalents at beginning of the year		57.268.091	41.409.606
Exchange losses		(1.098.534)	512.619
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**59.620.145**	**57.268.091**

(*) Amounts relating to Torre Norte's assets and liabilities at the date control was obtained, are not presented within individual cash flow components, as the transaction is reflected in full within 'Acquisition of subsidiary, net of cash acquired' in accordance with IAS 7.

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

NOTES TO THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024
(expressed in Euros)

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, Portugal and Spain as at December 31, 2024.

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 May 07, 2025.

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 EU).

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 2024

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

a) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The Group has adopted the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements for the first time in the current year.

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 is 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.

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 2024 (continued)

a) Amendments to IAS 7: Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements (continued)

The amendments contain specific transition provisions for the first annual reporting period in which the Group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments.
- the information otherwise required by IAS 7:44H(b)(ii)–(b)(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

b) Amendments to IAS 1: Classification of Liabilities as Current or Non-current

The Group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

The amendments 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.

c) Amendments to IAS 1: Presentation of Financial Statements – Non-current Liabilities with Covenants

The Group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

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.

d) Amendments to IFRS 16: Leases—Lease Liability in a Sale and Leaseback

The Group has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers 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. 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.

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

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 21: The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- a spot exchange rate for a purpose other than that for which an entity assesses exchangeability.
- the first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate—including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations—and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.

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) IFRS 18: Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss.
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods.

d) IFRS 19: Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market, or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad Group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds, and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate, or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The directors of the company do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the Group.

e) Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments

On 30 May 2024, the IASB issued targeted amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities.

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)

e) Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments (continued)

These amendments:

a) clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
b) clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion.
c) add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
d) update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments in b) are most relevant to financial institutions, but the amendments in a), c) and d) are relevant to all entities.

The amendments to IFRS 9 and IFRS 7 will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted subject to any endorsement process.

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 2024 is as follows:

Name of company	Country of incorporation	Holding 31 December 2024	Holding 31 December 2023
Lingotto Retail S.r.l. (2)	Italy	100,00%	85,00%
8 Gallery Immobiliare S.r.l. (2)	Italy	100,00%	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%
Colombo Investment S.à r.l.(3)	Luxembourg	100,00%	100,00%
Torre Norte S.A. (3)	Portugal	74,00%	
Castillo Investment S.à r.l. (4)	Luxembourg	-	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%
Coolsingel Investment Devco B.V.	Netherlands	100,00%	100,00%
Beaufort S.A.S.	France	100,00%	100,00%
Castillo Logistics SCCV (4)	France	-	100,00%
Svea Artilleri Löjtnant AB	Sweden	100,00%	100,00%
GNSWE Svea Artilleri Holding AB (1)	Sweden	-	100,00%
Fastighets AB Knall (1)	Sweden	100.00%	100,00%
Hollingbury S.L	Spain	95,00%	95,00%
Hotel Sofia Bcn Propco S.L.	Spain	95,00%	95,00%
Hotel Sofia Barcelona OpCo S.L.	Spain	95,00%	95,00%

(1) GNSWE Artilleri Löjtnant Holding AB and Fastighets Knall merged in June 2024.

(2) On 14 June 2024, the Company acquired 15% of the corporate capital held by Pradera Lingotto Holdco S.à.r.l. in Lingotto Retail S.r.l.

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

2.3 Consolidation (continued)

(3) In 2022 the Company entered into a SPA through a joint venture, with Colombo holding a 74% share while Sonae Sierra held the remaining 26%. The project is structured in two phases, the initial development phase, which began in September 2022 and was continued until March 2024. Upon completion of the first phase, the Company acquired in June the 74% stake in an entity called Torre Norte S.A.

(4) Castillo Logistics SCCV and Castillo Investment S.à.r.l. were liquidated in October 2024 and 26 Novemebr 2024 respectively.

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.

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) 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.

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

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.

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.

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

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.

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.

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

2.8 Financial instruments (Continued)

a) Investments and other financial assets (continued)

(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:

- 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.

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

2.8 Financial Instruments (Continued)

c. Financial liabilities (continued)

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.

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.

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

2.9 Revenue Recognition (continued)

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.

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.

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

2.15 Fair value measurements (continued)

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.

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 2024	Level 1	Level 2	Level 3
Plant, Property and Equipment (Note 6)	-	-	211.600.000
Investment properties (Note 7)		748.500	439.949.756
Derivative financial liabilities (Note 8)		(3.307.230)	
Investment properties under finance lease (Note 7)	-	-	16.743.705

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

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.

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

2.16 Leases (continued)

a. Group is the lessee (continued)

(i) At initial recognition (continued)

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.

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.

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

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 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 2024, the Fund holds assets in Italy, the United Kingdom, Denmark, Ireland, Spain, Sweden, Portugal 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

NOTE 3 - FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

a) Market risk (continued)

(ii) *Foreign exchange risk (continued)*

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 2024, if GBP, DKK and SEK pound weakened/strengthened by 20% post-tax loss for the year would have been as follows:

EUR/GBP	GBP		
	20%	Current	20%
	1,00	0,83	0,66
Net income	(7 548.951)	(6.914.069)	(6.279.187)

At 31 December 2024, 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%
	8,95	7,46	5,97
Net income	(7.879.599)	(6.914.069)	(5.948.539)

At 31 December 2024, 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%
	13,73	11,44	9,15
Net income	(6.397.518)	(6.914.069)	(7.430.620)

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

Furthermore, at 31 December 2024, 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%
	1,00	0,83	0,66
Equity	216.551.333	218.233.923	220.783.303

At 31 December 2024, 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%
	8,95	7,46	5,97
Equity	216.429.061	218.233.923	220.939.705

NOTE 3 - FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

a) Market risk (continued)

(ii) *Foreign exchange risk (continued)*

At 31 December 2024, 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%
	13,73	11,44	9,15
Equity	217.941.971	218.233.923	218.672.011

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.

(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 2024, 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 EUR 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.

	31/12/2024	31/12/2023
Trade receivables, net of provision for impairment (Note 10)		
- Rent receivables from lessees	3.106.562	3.051.076
- Other receivables (Note 10)	26.256.525	33.076.857
	29.363.087	36.127.933

	31/12/2024	31/12/2023
Rent receivables, gross (Note 10)		
Total neither past due nor impaired	3.305.439	3.270.977
Less: impairment provision	(198.877)	(219.901)
	3.106.562	3.051.076

NOTE 3 - FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (continued)

b) Credit and counterparty risk (continued)

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.

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 2024 is as follows:

31/12/2024	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)	1.223.533	301.598.336	-	302.821.869
Shareholders' loans (Note 13)	17.877.912	-	144.026.932	161.904.844
Derivatives financial liabilities (Note 8)	611.686	2.695.544	-	3.307.230
Lease liabilities (Note 7)	2.157	10.067	16.731.481	16.743.705
Trade and other payables (Note 15)	37.112.550	-	-	37.112.550
Total	56.827.838	304.303.947	160.758.413	521.890.198

31/12/2023	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

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.

NOTE 3 - FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital risk management (continued)

The gearing ratios at 31 December were as follows:

	31/12/2024	31/12/2023
Total borrowings	298.933.731	284.881.246
Less: cash and cash equivalents	(59.620.145)	(57.268.091)
Net debt*	239 313.585	227.613 155
Total equity	218.233.923	142 316.577
Total capital	457.547.509	369.929.732
Gearing ratio	52%	62%

*Lease liabilities and shareholder's loan were not included in net debt for the gearing ratio calculation.

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 analysed.

As at 31 December 2024, 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)	-	462,7	2.039,8	82,7	871,4	**3.455,8**
Expected credit loss (€'000)	-	13,9	101,9	8,3	130,7	**254,8**
Net amount (€'000)		448,8	1.937,0	74,4	740,7	**3,201,0**

* Service Charges to be invoiced by Property Manager in the course of 2024 following service charges reconciliation.

NOTE 4 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(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.

NOTE 5 – INTANGIBLE ASSETS

As at 31 December 2024, the intangible assets were as follows:

	Development	Computer Applications	Goodwill	Total
Cost				
Opening balance	483.666	475.683	4.494.000	5.453.349
Additions	-	6.574		6.574
Closing balance	483.666	482.257	4.494.000	5.459.923
Amortization				
Opening balance	(259.425)	(445.953)	(4.494.000)	(5.199.378)
Amortization charge for the year	(48.355)	(21.367)	-	(69.722)
Closing balance	(307.780)	(467.320)	(4.494.000)	(5.269.100)
Net Book Value as at 31 December 2024	175.780	14.937	-	190.823

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

	Development	Computer Applications	Goodwill	Total
Cost				
Opening balance	-	-		
Acquisition through business combination	483.666	475.683	4.494.000	5.453.349
Closing balance	483.666	475.683	4.494.000	5.453.349
Amortization				
Opening balance	-	-	-	
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)
Closing balance	(259.425)	(445.953)	(4.494.000)	(5.199.378)
Net Book Value as at 31 December 2023	224.241	29.730	-	253.971

NOTE 6 – PROPERTY, PLANT AND EQUITPMENT

As at 31 December 2024, the property, plant and equipment were as follows:

	Land and buildings	Fixtures and fittings	Work in Progress	Total
Cost				
Opening balance	175.787.653	14.241.131	221.737	190.250.521
Additions	-	8.029.765	164.576	8.194.341
Revaluation surplus	15.385.279	-		15.385.279
Closing balance	**191.172.932**	**22.270.896**	**386.313**	**213.830.141**
Accumulated depreciation and impairment				
Opening balance	**(1.850.521)**	-	-	**(1.850.521)**
Depreciation for the year	(379.620)	-	-	(379.620)
Closing balance	**(2.230.141)**	-	-	**(2.230.141)**
Fair value as at 31 December 2024	**188.942.791**	**22.270.896**	**386.313**	**211.600.000**

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

	Land and buildings	Fixtures and fittings	Work in Progress	Total
Cost				
Opening balance	-	-	-	-
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)
Closing balance	**175.787.653**	**14.241.131**	**221.737**	**190.250.521**
Accumulated depreciation and impairment				
Opening balance	-	-	-	-
Depreciation for the year	(1.850.521)		-	(1.850.521)
Closing balance	**(1.850.521)**	-	-	**(1.850.521)**
Fair value as at 31 December 2023	**173.937.132**	**14.241.131**	**221.737**	**188.400.000**

NOTE 7 – INVESTMENT PROPERTY

Segment / level	Denmark 3	Italy 3	Ireland 3	UK 3	France 2	Sweden 3	Netherlands 3	Portugal 3	2024	2023
Fair value at 01 January	53.323.034	108.000.000	54.800.000	19.242.966	9.127.850	84.706.859	30.050.000	-	**359.250.708**	**252.925.175**
- Direct acquisitions	14.653.783	-	-	-	-	-	-	50.360.242	**65.014.025**	**120.155.847**
- Subsequent expenditure	(4.849.925)	694.060	1.076	6.993.646	-	2.801.945	12.683.188	8.263.710	**26.587.700**	**40.895.723**
- Net gain from fair value adjustments on investment property	7.860.425	(2.994.060)	(8.801.076)	802.213	(524.123)	(1.446.293)	(333.188)	6.376.801	**940.699**	**(40.234.725)**
Disposals	-	-	-	-	(7.855.227)	-	-	-	**(7.855.227)**	**(14.812.335)**
Reversal of value adjustment on sold properties	-	-	-	-	-	-	-	-	-	**(2.124)**
- Currency translation difference in OCI	(2.060 946)	-	-	1.109.951	-	(2.288.655)	-	-	**(3.239.649)**	**323.149**
Fair value at 31 December	68.926.369	105.700.000	46.000.000	28.148.776	748.500	83.773.856	42.400.000	65.000.753	**440.698.256**	**359.250.710**

On 07 June 2024, the Fund acquired 74% stake in an entity called Torre Norte S.A. to develop a state-of-the-art grade A office building in Lisbon, Portugal, for a purchase price of EUR 21.078.928 (2023: nil).

During 2024, the Fund sold a vast majority of the French properties cumulating in sales proceeds amounting to EUR 6.815.008 (2023: nil).

Investment properties held under lease

	Thistles	Marches	Total EUR
Opening balance	**12.180.948**	**3.795.227**	**15.976.175**
Fair value adjustment	318	(864)	(546)
Foreign exchange gain/loss	585.634	182.445	768.079
Balance at 31 December 2024	**12.766.901**	**3.976.808**	**16.743.709**

	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**

Total investment property at 31 December 2024	**457.441.966**
Total investment property at 31 December 2023	**375.226.885**

Lease liabilities

	Thistles	Marches	Total EUR
Opening balance	**12.180.947**	**3.795.227**	**15.976.176**
Accretion of interest	544.388	170.102	714.490
Payments	(544.067)	(170.966)	(715.033)
Foreign exchange gain/loss	585.634	182.445	768.079
Balance at 31 December 2024	**12.766.901**	**3.976.808**	**16.743.711**
Non-current liabilities	**12.765.667**	**3.975.884**	**16.741.551**
Current liabilities	**1.234**	**923**	**2.157**
Total Liabilities	**12.766.900**	**3.976.807**	**16.743.708**

NOTE 7 – INVESTMENT PROPERTY (CONTINUED)

Lease liabilities (continued)

	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**

Valuation processes

The Group's investment properties were valued at 31 December 2024 by independent professionally qualified valuers (ICL) 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) – 2024

Country	Segment	Valuation (€)	Valuation technique	Rental Value (€'000)	Capitalisation rate for terminal value (%)	Sensitivities in capitalization rate	
Italy	Retail	105.700.000	Discounted cash flows	8.982	8.58%		
						+5%/-0,25%	110.880.000
					Change in ERV/ Cap rate	0,0%	105.700.000
						-5%/-0,25%	100.520.000
Ireland	Office	46.000.000	Hardcore method	6.000	6.50%		
						+5%/-0,25%	43.662.102
					Change in ERV/ Cap rate	0,0%	46.000.000
						-5%/-0,25%	50.861.052
UK	Retail	28.148.776	Hardcore method	7.028	12.26%		
						+5%/-0,25%	26.955.276
					Change in ERV/ Cap rate	0,0%	28.148.776
						-5%/-0,25%	30.592.098
Denmark	Residential	68 926.369	Residual value method	4.009	4.92%		
						+5%/-0,25%	76.435.860
					Change in ERV/ Cap rate	0,0%	68.926.372
						-5%/-0,25%	62.355.570
Sweden	Office	83 773.856	Discounted cash flows	5.547	7.22%		
						+5%/-0,25%	81.059.704
					Change in ERV/ Cap rate	0,0%	83.773.981
						-5%/-0,25%	90.065.407
Netherlands	Office	42.400.000	Discounted cash flows	6.935	13.78%		
						+5%/-0,25%	39.366.572
					Change in ERV/ Cap rate	0,0%	42.400.000
						-5%/-0,25%	45.647.666
Portugal	Office	65.000.753	Hardcore method	9.321	6.60%		
						+5%/-0,25%	64.137.173
					Change in ERV/ Cap rate	0,0%	65.000.753
						-5%/-0,25%	66.107.979

NOTE 7 – INVESTMENT PROPERTY (CONTINUED)

Valuation process (continued)

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

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

	2024 Assets	2024 Liabilities	2023 Assets	2023 Liabilities
Interest rate CAP	-	-	510.762	-
Accrued interests on CAP	-	-	74.378	-
Forward foreign exchange contracts	-	(611.686)	205.901	(4.175.455)
Accrued interests on Forward foreign exchange contracts	1.250.000	-	3.750.000	-
Interest rate SWAP	-	(2.695.544)	-	(1.187.625)
Accrued interests on SWAP	-	(108.997)	44.880	-
Floating Rate Bond	-	-	86.054	-
Accrued interests on Floating Rate Bond	-	-	22.789	-
Total	**1.250.000**	**(3.416.227)**	**4.694.764**	**(5.363.080)**

NOTE 8 – FINANCIAL INSTRUMENTS AT FAIR VALUE (CONTINUED)

Trade date	Currency	Notional	Maturity date	Value as at 31.12.2024	Value as at 31.12.2023	Unrealised gain/(loss) 2024	Unrealised gain/(loss) 2023
Interest rate CAP							
16-07-21	EUR	27.350.945	28-06-24	-	510.762	(510.762)	(802.606)
Forward foreign exchange contracts							
06-07-24	GBP	26.300.000	10-01-25	(611.686)	205.901	(817.587)	205.901
06-07-24	SEK	663.000.000	10-01-25		(4.175.455)	4.175.455	(4.175.455)
Interest rate SWAP							
03-03-23	EUR	60.892.008	31-12-26	(1.613.682)		(1.613.682)	
19-07-23	EUR	55.570.750	24-07-26	(1.081.862)	(1.187.625)	105.762	1.187.625
Floating Rate Bond							
14-12-22	DKK	170.073.061	25-11-24		86.054	(86.054)	86.054
Total				**(3.307.230)**	**(4.560.362)**	**1.253.132**	**(5.873.730)**

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, 2024, it generated a total realized loss of EUR 4.195.532 (2023: EUR 464.387). This loss is disclosed in the finance cost (Note 21).

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 amount as at 31 December 2024 was set at EUR 55.570.750 (2023: 55.850.000).

The change in fair value of the derivative amounted to EUR 105.762 (2023: EUR 902.594).

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

Income tax expense	31/12/2024	31/12/2023
Current tax	(235.600)	(37.217)
Deferred tax	(7.560.534)	10.028.549
Total income tax expense	**(7.796.134)**	**9.991.332**

Deferred tax liabilities	31/12/2024	31/12/2023
Opening balance	16.663.969	707.792
Charged to the income statement	7.560.534	(10.028.549)
Deferred tax assets netted with deferred tax liabilities	(1.756.390)	25.984.726
Closing balance	22.468.113	16.663.969

NOTE 10 – TRADE AND OTHER RECEIVABLES

Non-current

	31/12/2024	31/12/2023
Tenant guarantee	2.320.067	2.447.136
Other receivables	-	9.643
Total non-current trade and other receivables	**2.320.067**	**2.456.779**

Current

	31/12/2024	31/12/2023
Rent and service charges receivables:		
- Rent and service charges receivables from tenants	3.305.439	3.270.977
- Less: provision for impairment of rent receivables	(198.877)	(219.901)
Total rent receivables	3.106.562	3.051.076
Other receivables:		
- Taxes	18.867.525	8.040.462
- Prepayments (insurance and other)	6.509.004	17.572.582
- Accrued income	45.347	6.174.826
- Contract asset	170.368	140.606
- Receivable from investors		57.353
- Receivable from property manager		103.608
- Other	664.281	987.420
Total other receivables	**26.256.525**	**33.076.857**
Total current receivables, net of provision for impairment	**29.363.087**	**36.127.933**

Taxes comprise primarily of an amount of EUR 9.927.373 relating to VAT paid on construction invoices for the Portuguese entity, that the Fund expects to recover.

Prepayments comprise primarily of operating management fees paid to Blasson Iberia SL.

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

	2024	2023
Opening balance	(219.901)	(600.387)
Adjustment of impairment losses recognized during the period, net	2.086	-
Acquisition as part of business combination		1.257
Reversal of bad debt provision	18.938	382.376
Effect of translation to presentation currency		(3.147)
Closing balance	**(198.877)**	**(219.901)**

NOTE 11 – CASH AND CASH EQUIVALENTS

	31/12/2024	31/12/2023
Current accounts	**59.620.145**	**57.268.091**

NOTE 12 – SHARE CAPITAL AND SHARE PREMIUM

	Number of shares	Ordinary shares	Share premium	Total
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
Movement of the year	5.800.000	5.800.000	52.200.000	58.000.000
At 31 December 2024	36.557.269	36.557.269	255.678.716	292.235.985

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 8.313.280 class B1 shares, 13.572.709 class B2 shares and 14.138.236 B3 shares (the "Class B' Shares") which shall be held by the unlimited partner and the limited shareholders, and 503.044 class C1 shares and 503.044 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 509.300.000 has been called as of 31 December 2024, including Preferred Equity Certificates of EUR 144.026.932. 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 199.259.458.

NOTE 13 - BORROWINGS

Non-current				31/12/2024	31/12/2023
Bank borrowings	**Lender**	**Maturity**	**All in Interest rate**		
8 Gallery Immobiliare S.r.l.	ING & Aareal	07/24/2026	2,3% + EURIBOR 3M	53.937.704	55.851.372
La Touche S.à r.l.	Bank of Ireland	03/20/2026	1,85%	45.248.347	45.177.031
DK Hoje Taastrup A03 K/S	Skandinaviska Enskilda	11/15/2026	3 month CIBOR + margin	20.499.177	13.892.443
DK Hoje Taastrup A04 K/S	Banken AB		2,4%	14.344.985	11.474.140
Rhineland Investment S.à r.l.	Rabobank	12/30/2026	EURIBOR + margin 3,58%	28.820.863	17.021.457
Fastighets AB Knall	PBB	03/14/2027	Fixed 3,09% + margin 2%	34.821.504	35.712.001
Torre Norte S.A.	Novo Banco	19/05/2027	3 month EURIBOR + margin	(580.423)	
	Caixa Geral de Depositos		1,87%		
Hotel Sofia Bcn Propco S.L.	Aareal	03/31/2028	Fixed 3,023% + margin 3%	100.618.040	99.964.237
Total non-current bank borrowings				**297.710.198**	**279.092.681**
Shareholders' loans				144.026.932	144.026.932
Total borrowings				**441.737.130**	**423.119.613**

The Portuguese entity also incurred some finance expenses in relation to a bank financing contracted with Novo Banco and Caixa Geral de Depositos, in the total amount of EUR 60.300.000, whose use will take place in 2025.

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

NOTE 13 – BORROWINGS (CONTINUED)

Current				31/12/2024	31/12/2023
Bank Borrowings	**Lender**	**Maturity**	**All in Interest rate**		
Beaufort	Société Générale	07/01/2024	EURIBOR 3 months + 1,4%		5.171.372
Interest on bank borrowings				1.223.533	617.193
Total current borrowings				**1.223.533**	**5.788.565**
Accrued interest on shareholders' loans				17.877.912	11.051.560
Total borrowings				**19.101.445**	**16.840.125**

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%	49,74%
DSCR	Higher than 140%	174%
DSCRF	Higher than 140%	172%
Property Occupancy Rate	Not lower than 85%	96,30%
NOI	Equal or higher than EUR 5.500.000	EUR 6.471.505

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.

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 2024.

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 an LTV ratio of 60% or less. At at 31 December 2023, the LTV ratio was 40% and interest cover ratio was 189.6%.

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	31/12/2024	31/12/2023
Co-investor in Italy	7/25/2023	8,50%		7.444.790
			-	**7.444.790**

Current	31/12/2024	31/12/2023
Interest payable on other payables	-	3.146.058
	-	**3.146.058**

NOTE 15 – TRADE AND OTHER PAYABLES

Non-current	31/12/2024	31/12/2023
Tenant Deposit	-	6.631
Total non-current trade and other payables	**-**	**6.631**

Current	31/12/2024	31/12/2023
Trade Payables	3.754.125	12.789.355
Development costs	3.551.665	-
Tenant deposit and deferred income	16.083.190	9.368.165
Lease payable	371.656	-
Accruals		
- Corporate or operating accruals	1.619.682	1.549.821
- Fixed asset accruals	214.580	-
Management fee accrual	319.835	571.816
- Other	4.930.944	2.710.823
Other taxes	6.266.873	3.650.164
Total current trade and other payables	**37.112.550**	**30.640.144**

NOTE 16 – PROVISIONS

Provisions as at December 31, 2024 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 2024, a performance fee of EUR 393,308 (2023: EUR 258,049) has been accrued in the annual consolidated accounts.
- Lingotto comprising of EUR 548,000 (2023: nil) as incentive fee to Pradera.
  La Touche comprising of EUR 1,248,992.73 (2023: EUR 1.000.473) as uninvoiced tenant contributions relating to refurbishments.

NOTE 17 – REVENUE, NET OF RECOVERABLE SERVICES CHARGES

	2024	2023
Rental income, including service charge income	52.769.353	17.158.052
Service and management charges	(3.253.112)	(2.707.683)
Property costs	(4.400.564)	
Sales Revenue	16.836.973	15.730.998
Accommodation Revenue	-	18.448.753
Total	**61.952.650**	**48.630.120**

NOTE 18 – OTHER INCOME

	2024	2023
Reversal of bad debt provision	18.937	167.550
Total	**18.937**	**167.550**

NOTE 19 – ADMINISTRATIVE EXPENSES

	2024	2023
Management fees	4.898.703	3.877.444
Legal fees and acquisition cost	325.422	723.405
Recharge from PEVAV II GP	285.984	263.642
Tax advisory fees	176.591	313.613
Corporate and accounting fees	610.874	719.477
Audit fees	376.118	338.606
Valuation fees	131.268	188.054
Other	1.426.763	2.073.718
Total	**8.231.743**	**8.497.959**

NOTE 20 – OTHER EXPENSES

	2024	2023
Non rechargeable property expenses	7.577.743	6.282.581
VAT non-recoverable	556.994	421.576
Wages and salaries	10.230.568	7.358.088
Loss on liquidation	32.793	
Bank charges	63.214	789.615
Taxes on wages and salaries	4.472.503	3.316.473
Other taxes	592.189	1.211.170
Other	15.283.537	12.258.535
Total	**38.809.541**	**31.638.038**

NOTE 21 – FINANCE INCOME AND COSTS

	2024	2023
Interest expense on bank borrowings	16.030.498	12.051 522
Interest on shareholder and other payable	7.116.658	10.155.953
Debt issue fees	1.220.078	559.797
Net realized exchange loss	37.509	27.954
Realised loss on derivatives (Note 8)	4.195.533	464.387
Finance costs	**28.600.276**	**23.259.613**
Interest income on short-term deposits	1.036.300	868.805
Interest on derivatives	1.891.261	3.965.960
Unrealised foreign exchange gain/loss	1.203.037	972.617
Gain on debt extinguishment	6.079.426	-
Finance income	**10.210.024**	**5.807.382**
Finance costs - net	**18.390.252**	**17.452.231**

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 of December 31, 2024, the estimated Carried Interests attributable to Class C shareholders was nil as at the closing date (2023: 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 199.3m including the distribution of 65,1m in December 2022 which is recallable by the fund. Of the uncalled commitment 2.5m is allocated to Stirling Investment S.a.r.l for the asset in the UK, 28m is allocated to Rhineland Investment S.a.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.

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

By January 2025, two assets (A03 and A04) located in Denmark, had been completed and stabilized. On 31 January 2025, the assets have been formally approved for sale and are being actively marketed.

On 28 March 2025, La Touche has been formally approved for sale and is being actively marketed.

NOTE 25 - AIFM DISCLOSURES (UNAUDITED)

25.1 Material Changes

In June 2024 the Fund has completed the acquisition of 74% of the shares in the company Torre Norte. This company will develop a state-of-the-art grade A office building in Lisbon, Portugal. This speculative office development will provide a Gross Leasable Area (GLA) of 34,072 sqm and will sit on top of Colombo Shopping Centre, the best performing retail complex in Iberia.

In addition, the Fund bought out the minority shareholder in Lingotto Retail and now holds 100%.

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 2024, 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:

1. Market risk
2. Credit and counterparty risk
3. Liquidity risk
4. 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 December 2024:

- Retail: 20.5%
- Office: 36.4%
- Residential: 10.7%
- Hotel: 32.4%

The highest exposure of the portfolio at the end of 2024 is concentrated in Spain and Italy. The investment period of Pan European Value-Added Venture II has ended. The fund has closed its final deal in 2024 and is now in its asset management phase. 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.

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, 2024, the portfolio's non-euro currency exposures are in British pound sterling (GBP) and Swedish krona (SEK). The exposure to GBP and SEK is hedged through a FX forward.

NOTE 25 - AIFM DISCLOSURES (UNAUDITED) (CONTINUED)

25.4. Investment risks (continued)

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

The Fund has:

- 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 might have low liquidity based on the location, asset class or development phase.

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 31/12/2024, the actual levels of leverage are given below:

- AIFMD Leverage indicator according to the Gross Method: 232%
- AIFMD Leverage indicator according to the Commitment Method: 195%

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"

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.

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.

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. remuneration.

These changes mainly concern (i) specific adjustments to certain entities of the AXA IM group including the application of the MIFID guidelines for entities for which this became necessary and (ii) 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, 2024. 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, 2024 (1)	
Fixed Pay (2) (millions EUR)	117.8
Variable Pay (3) (millions EUR)	72.34
Number of employees (4)	2.944

"(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, 2024.

(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, 2024.

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

(5) Total number of employees concerned within the AXA Investment Managers Group as of December 31, 2024. 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".

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.

While the investment product does not promote any specific ESG characteristic and does not have any sustainable investment goal, it has nevertheless embedded the AXA IM entity-level ESG frameworks described below, notably on climate and biodiversity, based on AXA IM Responsible Investment policy[1].

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 [2] 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:**
  - AXA IM published its first net zero targets in October 2021, as part of the first NZAM progress report[3]. These targets were subsequently revised in April 2022[4], and covered 65% of AXA IM total AUM at end of 2023[5].
  - Specific net zero targets and methodological frameworks[6] for Listed Corporates (Fixed Income and Listed Equity), Sovereigns, and directly managed real estate asset classes which follows industry standards[7] considering internal and external information have been set and allow to determine the net zero profile of our issuers, and a new net zero target for Commercial Real Estate Debt, Infrastructure Equity & Debt to be set in 2025.

- **Stewardship[8]:**
  - 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: AXA IM excludes firms 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 AXA IM is 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).

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[1] See AXA IM's Responsible investment policy: Sustainability Policies and Reports | AXA IM Corporate
[2] See AXA IM's road to net zero: Our Road to Net Zero | Sustainability | AXA IM Corporate
[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 other AXA IM Alts and AXA IM Prime private market and hedge funds assets, and AXA IM Select assets).
[6] The net zero target setting and related methodological frameworks are based on the Net Zero Investment Framework (NZIF) guidance and recommendations: Net Zero Investment Framework
[7] 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 for real estate assets and the Germanwatch's Climate Change Performance Index (CCPI) for sovereign assets.
[8] See AXA IM's Stewardship & Engagement policies: Stewardship & Engagement | Responsible Investing | AXA IM Corporate (axa-im.com). While these policies are being implemented at AXA IM level globally, it should be noted that they have inherent limitations for certain asset classes.

The detailed climate strategy applied by AXA IM pursuant to the implementation decree of Article 29 of the LEC, including the list of AXA IM net zero targets, is described in the AXA IM annual Climate Report (TCFD – Article 29 LEC combined report)[9]: Policies and reports | AXA IM Corporate (axa-im.com)

AXA IM Biodiversity strategy[10]

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:

- 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.

Stewardship[11]

Our engagement approach to the complex and nascent theme of biodiversity has been to start aligning our principal engagement efforts in such a way that incorporates existing knowledge on pressures like deforestation, and the knowledge emerging on negative impacts and the sectors that matter most for biodiversity and nature. Our principal engagement activities encompass a programme we began piloting in 2022 utilizing the biodiversity footprint tool developed by IDL described above, as well as engagement programmes on specific themes, namely deforestation and pollution. We anticipate extending our engaging efforts around biodiversity to our infrastructure debt borrowers and sponsors in the coming years.

Initiatives[12]

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[13]; and collaborative engagement on Waste & Pollution led by FAIRR[14].

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.

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[9] 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 6.1 "Climate strategy" and 6.5 "Climate dashboard" of the last AXA IM Climate report.
[10] 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.

[12] While these initiatives are being implemented at AXA IM level globally, it should be noted that they have inherent limitations for certain asset classes
[13] See press release: Investors with $8 trillion call for phase-out of dangerous "forever chemicals" – ChemSec
[14] See: Biodiversity Loss from Waste & Pollution - FAIRR

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[15], the organisation behind the Finance for Biodiversity Pledge[16].

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 2024 assessment, all buildings are 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 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)[17]: 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.

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. AXA IM has implemented a framework to integrate sustainability risks in investment decisions based on sustainability factors which relies notably on:

- **Sectorial and normative exclusions policies** covering E, S and G factors:
  - **Environmental – E:** 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);
  - **Social – S :** health (tobacco producers), labor, society and human rights (violations of international norms and standards; controversial weapons manufacturing; white phosphorus weapons producers; exclusion of investments in securities issued by countries where serious violations of Human rights are observed);
  - **Governance – G:** business ethics (severe controversies, violations of international norms and standards), corruption (severe controversies, violations of international norms and standards).

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[18]:** 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.

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[15] AXA IM chairs the Finance for Biodiversity Foundation's Biodiversity Impact Metrics working Group and actively participates in the Engagement working Group.

[16] Finance for Biodiversity Pledge: https://www.financeforbiodiversity.org/signatories/

[17] 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 last AXA IM Climate report.

[18] 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.

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 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)[19]: Policies and reports | AXA IM Corporate (axa-im.com)

[19] 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 last AXA IM Climate report.