GNRE III Pinnacle ApS

Bredgade 6, DK-1260 København K

Annual Report for 2023

CVR No. 21 12 44 94

The Annual Report was presented and adopted at the Annual General Meeting of the company on 26/6 2024

Allan Strand Olesen
Chairman of the general meeting

Contents

Management's statement

The Executive Board has today considered and adopted the Annual Report of GNRE III Pinnacle ApS for the financial year 1 January - 31 December 2023.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion the Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and of the results of the Company operations for 2023.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Copenhagen, 26 June 2024

Executive Board

Allan Strand Olesen	David Christopher Neil	Daniel Hans Göran Tallqvist

Independent Auditor's report

To the shareholders of GNRE III Pinnacle ApS

Opinion

We have audited the Financial Statements of GNRE III Pinnacle ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company´s operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the ”Auditor’s responsibilities for the audit of the Financial Statements” section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management’s responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company´s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Financial Statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark 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 Financial Statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company´s internal control.

Independent Auditor's report

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

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company´s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Copenhagen, 26 June 2024

EY Godkendt Revisionspartnerselskab

CVR No 30 70 02 28

Henrik Reedtz
State Authorised Public Accountant
mne24830

Company information

The Company	GNRE III Pinnacle ApS Bredgade 6 1260 København K CVR No: 21 12 44 94 Financial period: 1 January - 31 December Financial year: 26th financial year Municipality of reg. office: København
Executive Board	Allan Strand Olesen David Christopher Neil Daniel Hans Göran Tallqvist
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passer Allé 36 DK-2000 Frederiksberg

Management's review

Key activities

As in previous years, the main activity has consisted of owning the property Kay Fiskers Plads 9-11, Copenhagen and letting this property.

Development in the year

The income statement of the Company for 2023 shows a loss of DKK 95,991,204, and at 31 December 2023 the balance sheet of the Company shows a positive equity of DKK 353,474,739.

The result is affected by refurbishments and general market conditions.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit/loss before value adjustments		**-5,053,622**	**18,500,721**
Value adjustments of assets held for investment	1	-101,643,442	-109,356,813
Gross profit/loss after value adjustments		**-106,697,064**	**-90,856,092**
Depreciation and impairment losses of property, plant and equipment		-66,637	-66,637
Profit/loss before financial income and expenses		**-106,763,701**	**-90,922,729**
Financial income	2	381,605	439,102
Financial expenses	3	-16,631,681	-6,067,688
Profit/loss before tax		**-123,013,777**	**-96,551,315**
Tax on profit/loss for the year	4	27,022,573	21,248,715
Net profit/loss for the year		**-95,991,204**	**-75,302,600**

Distribution of profit

	2023	2022
	DKK	DKK
Proposed distribution of profit		
Retained earnings	-95,991,204	-75,302,600
	-95,991,204	**-75,302,600**

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Investment properties	5	753,348,574	741,971,322
Other assets held for investment	5	3,482,582	1,448,197
Other fixtures and fittings, tools and equipment	6	68,844	135,481
Property, plant and equipment		**756,900,000**	**743,555,000**
Other receivables	7	1,084,000	1,317,513
Fixed asset investments		**1,084,000**	**1,317,513**
Fixed assets		**757,984,000**	**744,872,513**
Trade receivables		104,728	785,036
Other receivables		5,331,508	1,048,086
Prepayments		131,921	350,350
Receivables		**5,568,157**	**2,183,472**
Cash at bank and in hand		**7,618,438**	**18,422,887**
Current assets		**13,186,595**	**20,606,359**
Assets		**771,170,595**	**765,478,872**

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		10,000,000	10,000,000
Retained earnings		343,474,739	333,785,689
Equity		**353,474,739**	**343,785,689**
Provision for deferred tax		33,889,825	60,912,398
Provisions		**33,889,825**	**60,912,398**
Mortgage loans		327,718,041	327,587,648
Credit institutions		2,417,739	1,570,942
Payables to group enterprises		15,000,000	15,000,000
Deposits		8,996,900	8,332,977
Long-term debt	8	**354,132,680**	**352,491,567**
Prepayments received from customers		1,084,351	0
Trade payables		26,835,852	6,923,070
Payables to group enterprises	8	1,753,148	1,366,148
Short-term debt		**29,673,351**	**8,289,218**
Debt		**383,806,031**	**360,780,785**
Liabilities and equity		**771,170,595**	**765,478,872**

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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	10,000,000	333,785,689	343,785,689
Contribution from group	0	105,680,254	105,680,254
Net profit/loss for the year	0	-95,991,204	-95,991,204
Equity at 31 December	**10,000,000**	**343,474,739**	**353,474,739**

Notes to the Financial Statements

	2023	2022
	DKK	DKK
1. Value adjustments of investment assets		
Value adjustments of investment properties due to operational improvements	-101,643,442	-109,356,813
	-101,643,442	**-109,356,813**

	2023	2022
	DKK	DKK
2. Financial income		
Other financial income	381,605	439,102
	381,605	**439,102**

	2023	2022
	DKK	DKK
3. Financial expenses		
Interest paid to group enterprises	387,000	129,353
Other financial expenses	16,244,681	5,938,335
	16,631,681	**6,067,688**

	2023	2022
	DKK	DKK
4. Income tax expense		
Deferred tax for the year	-27,022,573	-21,219,367
Adjustment of tax concerning previous years	0	-29,348
	-27,022,573	**-21,248,715**

Notes to the Financial Statements

5. Assets measured at fair value

	Investment properties	Other assets held for investment
	DKK	DKK
Cost at 1 January	841,935,817	4,934,138
Additions for the year	115,590,308	250,001
Cost at 31 December	957,526,125	5,184,139
Value adjustments at 1 January	-102,534,109	-916,327
Revaluations for the year	-101,643,442	0
Reversals for the year of revaluations in previous years	0	-785,230
Value adjustments at 31 December	-204,177,551	-1,701,557
Carrying amount at 31 December	**753,348,574**	**3,482,582**

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The determination of fair value is based on a DCF model, and Management uses accounting estimates when determining the fair value. The use of accounting estimates implies that the statement of fair value is subject to some uncertainty. The fair value is stated based on assumptions that Management considers probable and realistic. Management reassesses assumptions on a current basis, and any changes to the assumptions are reflected in the fair value. The key assumptions applied when determining the fair value are the discount rate of 7,1 % and the capitalization rate of 5,0 %.

The fair value is based on a level 3 assesment.
The fair value of the investment property is an estimate calculated by the appraiser based on information available and actual expectations for the future provided by the management.

	2023	2022
	DKK	DKK
The fair value of investment properties amounts to	756,831,156	743,419,519
Value adjustment, income statement	-101,643,442	-109,356,813
Leased area	11.234	9.237
Vacant area	19.680	23.159

Notes to the Financial Statements

6. Property, plant and equipment

	Other fixtures and fittings, tools and equipment
	DKK
Cost at 1 January	2,448,464
Cost at 31 December	2,448,464
Impairment losses and depreciation at 1 January	2,312,983
Depreciation for the year	66,637
Impairment losses and depreciation at 31 December	2,379,620
Carrying amount at 31 December	**68,844**

7. Other fixed asset investments

	Other receivables
	DKK
Cost at 1 January	1,317,513
Disposals for the year	-233,513
Cost at 31 December	1,084,000
Carrying amount at 31 December	**1,084,000**

	2023	2022
	DKK	DKK

8. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	2023	2022
Mortgage loans		
After 5 years	281,190,107	294,034,350
Between 1 and 5 years	46,527,934	33,553,298
Long-term part	327,718,041	327,587,648
Within 1 year	0	0
	327,718,041	**327,587,648**
Credit institutions		
After 5 years	0	0
Between 1 and 5 years	2,417,739	1,570,942
Long-term part	2,417,739	1,570,942
Within 1 year	0	0
	2,417,739	**1,570,942**

		2023	2022
		DKK	DKK
8.	**Long-term debt**		
	Payables to group enterprises		
	After 5 years	0	0
	Between 1 and 5 years	15,000,000	15,000,000
	Long-term part	15,000,000	15,000,000
	Other short-term debt to group enterprises	1,753,148	1,366,148
		16,753,148	**16,366,148**
	Deposits		
	After 5 years	0	0
	Between 1 and 5 years	8,996,900	8,332,977
	Long-term part	8,996,900	8,332,977
	Within 1 year	0	0
		8,996,900	**8,332,977**

		2023	2022
		DKK	DKK
9.	**Contingent assets, liabilities and other financial obligations**		
	Charges and security		
	The following assets have been placed as security with mortgage credit institutes:		
	Land and buildings with a carrying amount of	756,900,000	743,555,000

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed incomes etc of the Group. The total amount of corporation tax payable is disclosed in the Annual Report of GNRE Fund III Denmark BidCo 1 ApS, which is the management company of the joint taxation purposes. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

10. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

Name	Place of registered office
GVA III Pinnacle Holding SARL	Luxemburg, Grand Rue, L-1660 Luxemburg

Notes to the Financial Statements

11. Accounting policies

The Annual Report of GNRE III Pinnacle ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

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

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

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

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

Income statement

Rental income

Rental income is recognised on a straight line-basis over the term of the lease. The Company has chosen IAS11/IAS 18 as interpretation for revenue recognition.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses, etc.

Gross profit/loss

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of rental income and other external expenses.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Notes to the Financial Statements

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity

The Company is jointly taxed with Parent Company. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed assets comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and supsuppliers up until the time when the asset is ready for use.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The fair value of investment properties has been assessed by the independent assessor firm at 31 December 2023.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

The fair value measurement is based on the principal market. If no principal market exits, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below.

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

Notes to the Financial Statements

Discounted Cash Flow model

The fair value of investment properties has been determined at 31 December 2023 for each property by using a Discounted Cash Flow model under which expected future cash flows are discounted to present value. The calculations are based on property budgets for the coming years. Allowance has been made for developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The individual, budgeted cash flows are discounted at an individually fixed discount rate added a terminal value.

The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

Other property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Other fixtures and fittings, tools and equipment	3 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

Other fixed asset investments

Other fixed asset investments consist of deposits and other receivables.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable, and in respect of trade receivables, a general provision is also made based on the Company's experience from previous years. According to IAS 39.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Notes to the Financial Statements

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.