



Ringsted Outlet Center P/S

Adelgade 15, 2.
1304 København K
CVR No. 28498756

Annual report 2023

The Annual General Meeting adopted the annual report on 24.06.2024

Emil Skov

Chairman of the General Meeting

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Entity details

Entity

Ringsted Outlet Center P/S

Adelgade 15, 2.

1304 København K

Business Registration No.: 28498756

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Anders Skovgaard Klingbeil

Peter Matzen Drachmann

Albert Cornelis Tol

Executive Board

Anders Skovgaard Klingbeil

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

2300 Copenhagen S

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Ringsted Outlet Center P/S for the financial year 01.01.2023 - 31.12.2023.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 24.06.2024

Executive Board

Anders Skovgaard Klingbeil

Board of Directors

Anders Skovgaard Klingbeil

Peter Matzen Drachmann

Albert Cornelis Tol

Independent auditor's report

To the shareholders of Ringsted Outlet Center P/S

Opinion

We have audited the financial statements of Ringsted Outlet Center P/S for the financial year 01.01.2023 - 31.12.2023, which comprise the 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 Entity's financial position at 31.12.2023 and of the results of its operations for the financial year 01.01.2023 - 31.12.2023 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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 this auditor's report. We are independent of the Entity 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 Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements in the relevant law and regulations. We did not identify any material misstatement of the management commentary.

Copenhagen, 24.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No. 33963556

Thomas Frommelt Hertz

State Authorised Public Accountant

Identification No (MNE) mne31543

Management commentary

Primary activities

The company owns Ringsted Outlet, which is an outlet center with associated dining facilities totaling approximately 13,200 square meters. The company's activity in 2023 has consisted of leasing and operating the outlet.

Development in activities and finances

The balance sheet as of December 31, 2023, shows total assets of DKK 391.6 million, compared to DKK 398.8 million as of December 31, 2022. Equity stands at DKK 206.7 million, compared to DKK 314.3 million as of December 31, 2022. The development in equity after dividend payout corresponds to the financial result for the year.

The general partner receives 5% of the company's operating profit, which is included in the financial result.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2023

	Notes	2023 DKK	2022 DKK
Gross profit/loss		18,814,456	20,428,858
Fair value adjustments of investment property		(15,959,058)	(17,888,314)
Staff costs	1	(470,426)	(16,401)
Operating profit/loss		2,384,972	2,524,143
Other financial income	2	539,144	665
Financial expenses from group enterprises		(37,785)	(63,730)
Other financial expenses	3	(6,932,606)	(4,541,471)
Profit/loss for the year		(4,046,275)	(2,080,393)
Proposed distribution of profit and loss			
Retained earnings		(4,046,275)	(2,080,393)
Proposed distribution of profit and loss		(4,046,275)	(2,080,393)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2022 DKK
Investment property		369,701,249	385,660,307
Other fixtures and fittings, tools and equipment		240,837	296,352
Property, plant and equipment	4	369,942,086	385,956,659
Fixed assets		369,942,086	385,956,659
Trade receivables		1,242,541	72,479
Receivables from group enterprises		45,500	0
Other receivables		668,895	124,191
Prepayments		3,098,751	4,339,693
Receivables		5,055,687	4,536,363
Cash		16,635,960	8,340,736
Current assets		21,691,647	12,877,099
Assets		391,633,733	398,833,758

Equity and liabilities

	Notes	2023 DKK	2022 DKK
Contributed capital		7,520,000	7,520,000
Retained earnings		199,197,795	306,748,223
Equity		206,717,795	314,268,223
Mortgage debt		160,402,670	0
Derivative financial instruments		4,909,086	0
Non-current liabilities other than provisions	5	165,311,756	0
Deposits		4,790,625	4,539,600
Prepayments received from customers		0	88,422
Trade payables		1,592,965	1,034,755
Payables to group enterprises		873,814	73,000,000
Other payables	6	12,346,778	5,902,758
Current liabilities other than provisions		19,604,182	84,565,535
Liabilities other than provisions		184,915,938	84,565,535
Equity and liabilities		391,633,733	398,833,758
Financial instruments	7		
Contingent liabilities	8		
Assets charged and collateral	9		

Statement of changes in equity for 2023

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	7,520,000	306,748,223	314,268,223
Extraordinary dividend paid	0	(98,595,067)	(98,595,067)
SWAP	0	(4,909,086)	(4,909,086)
Profit/loss for the year	0	(4,046,275)	(4,046,275)
Equity end of year	7,520,000	199,197,795	206,717,795

Notes

1 Staff costs

	2023 DKK	2022 DKK
Wages and salaries	460,461	(11,965)
Other staff costs	9,965	28,366
	470,426	16,401
Number of employees at balance sheet date	0	5

2 Other financial income

	2023 DKK	2022 DKK
Other interest income	539,144	665
	539,144	665

3 Other financial expenses

	2023 DKK	2022 DKK
Other interest expenses	6,771,523	4,541,471
Other financial expenses	161,083	0
	6,932,606	4,541,471

4 Property, plant and equipment

	Investment property DKK	Other fixtures and fittings, tools and equipment DKK
Cost beginning of year	344,154,723	636,922
Additions	0	29,605
Cost end of year	344,154,723	666,527
Depreciation and impairment losses beginning of year	0	(340,570)
Depreciation for the year	0	(85,120)
Depreciation and impairment losses end of year	0	(425,690)
Fair value adjustments beginning of year	41,505,584	0
Fair value adjustments for the year	(15,959,058)	0
Fair value adjustments end of year	25,546,526	0
Carrying amount end of year	369,701,249	240,837

The company's investment property includes an approximately 13,200 sqm outlet centre in Ringsted. The investment property, cf. the description of accounting policies, is measured at fair value based on a discounted cash flow valuation model.

Yield, which are the basis for the terminal value and discount rate is fixed for the individual property in consideration of location, condition, tenant mix, non-terminability profile, tenants' standing and on an estimate of how the general property market is developing.

Yield used for the valuation at 31 December 2023 is 7% (2022: 7%).

An increase in the required rate of return by 0.5% points will reduce the fair value by approx. DKK 24,9 million.

A decrease in the required rate of return by 0.5% will increase the fair value by approx. DKK 28,7 million.

An external appraiser has been used to determine the fair value.

5 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK
Mortgage debt	160,402,670
Derivative financial instruments	4,909,086
	165,311,756

Outstanding debt after 5 years: DKK 0.

6 Other payables

	2023 DKK	2022 DKK
VAT and duties	0	(86,331)
Wages and salaries, personal income taxes, social security costs, etc. payable	0	92,836
Holiday pay obligation	250,658	221,235
Other costs payable	12,096,120	5,675,018
	12,346,778	5,902,758

7 Financial instruments

To secure the company's future variable-rate mortgage debt, an interest rate swap agreement was entered into during the fiscal year, which expires on August 31, 2028. The principal amount in the interest rate swap agreement is DKK 160,403 thousand. As of December 31, 2023, the fair value of the interest rate swap agreement is determined to be a negative value of 4,909 thousand DKK, which is recognized as other liabilities in the balance sheet with a corresponding entry in equity under the reserve for fair value adjustments of hedging instruments. The fair value of the interest rate swap agreement is determined as the present value of the expected future net cash flows under the agreement, based on the agreed fixed interest rate and the current interest rate curve on the balance sheet date, discounted to December 31, 2023 using a risk-free rate. This determined value is not adjusted for the company's own credit risk, as the effect is deemed immaterial.

8 Contingent liabilities

The Entity participates in a Danish joint taxation arrangement where PR Ringsted HoldCo ApS serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore liable for income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

9 Assets charged and collateral

As collateral for its mortgage debt, DKK 161,047 thousand, the Company has provided collateral in land and buildings with a carrying amount of DKK 369,942 thousand at 31 December 2023.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of a few provisions for reporting class C.

Changes in accounting policies

The Entity has changed its accounting policies with regard to method for calculating revenue. Re-invoicing of tenants' share of common expenses, etc. is no longer recognized as revenue, as it is not considered that the lessor is the principal in this context. Therefore, revenues and expenses are not presented gross. This change has no effect on the results, balance sheet or equity.

The comparative figures have been restated following the change in accounting policies.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistently with last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Tax on profit/loss for the year and deferred tax

The company is not independently liable to pay tax, as the tax liability rests with the shareholders.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue from the sale of services is recognised in the

income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Fair value adjustments of investment property

Fair value adjustments of investment property comprise adjustments for the financial year of the Entity's investment properties measured at fair value at the balance sheet date.

Own work capitalised

Own work capitalised comprises staff costs and other costs incurred in the financial year and recognised in cost for proprietary intangible assets and property, plant and equipment.

Other external expenses

Other external expenses include expenses relating to the Entity's normal activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc. for entity staff.

Other financial income

Other financial income comprises dividends etc. received on other investments, interest income, including interest income on receivables from group enterprises, net capital or exchange gains on securities, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Financial expenses from group enterprises

Financial expenses from group enterprises comprise interest expenses etc. from payables to group enterprises.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation. For self-constructed assets, cost comprises direct and indirect costs of materials, components, sub-suppliers and labour costs. For assets held under finance leases, cost is the lower of the asset's fair value and present value of future lease payments.

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each asset.

Interest expenses on loans for the financing of the manufacture of property, plant and equipment are included in cost if they relate to the manufacturing period. All other finance costs are recognised in the income statement.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Investment property

On initial recognition, investment properties are measured at cost consisting of the acquisition price of the properties plus directly related acquisition costs.

Subsequent to initial recognition, investment properties are measured at fair value which is equivalent to the amount at which the individual property may be sold to an independent buyer at the balance sheet date.

Fair value is determined by using the DCF model as the calculated value in use of expected cash flows from each property. To determine expected cash flows, the budgeted cash flows for each property for the next years are used, including increases in price and rent levels, and a calculated terminal value which reflects the amount of normalised cash flows expected to be generated by the property after the budget period. The cash flows so calculated are discounted to net present value by using a discount rate that is estimated to reflect current market -required yield rates for similar properties inclusive of expected inflation.

The financial year's adjustments of the properties' fair value are recognised in the income statement.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Mortgage debt

At the time of borrowing, mortgage debt to mortgage credit institutions is measured at cost which corresponds to the proceeds received less transaction costs incurred. Mortgage debt is subsequently measured at amortised cost. This means that the difference between the proceeds at the time of borrowing and the nominal repayable amount of the loan is recognised in the income statement as a financial expense over the term of the loan applying the effective interest method.

Other financial liabilities

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

Prepayments received from customers

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.