intertrust
GROUP
A CSC COMPANY

Imperial II Log Brøndby ApS

C/O Intertrust (Denmark) ApS

Sundkrogsgade 21, DK-2100 Copenhagen

CVR no. 29 60 61 53

Annual report for 2023

Adopted at the annual general mee-
ting on 27 June 2024

DocuSigned by:
Pilvi Peltomaki
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Pilvi Peltomäki
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Imperial II Log Brøndby 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 company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 1 January - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 27 June 2024

Executive board

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Gino Hugues Olivier Chenu	Morten Wordenskjold Hansen

Independent Auditor's Report

To the shareholder of Imperial II Log Brøndby ApS

Opinion

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.

We have audited the Financial Statements of Imperial II Log Brøndby 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 (''financial statements'').

Basis for Opinion

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

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.

Independent Auditor's Report

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 judgment and maintain professional skepticism 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.

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

Independent Auditor's Report

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

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

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

Hellerup, 27 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

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Maj-Britt Nørskov Nannestad State Authorized Public Accountant MNE no. mne32198	Christopher Kowalczyk State Authorized Public Accountant MNE no. mne47863

Company details

The company	Imperial II Log Brøndby ApS Sundkrogsgade 21 C/O Intertrust (Denmark) ApS DK-2100 Copenhagen	
	CVR no.:	29 60 61 53
	Reporting period:	1 January - 31 December 2023
	Incorporated:	1 January 2006
	Financial year:	18th financial year
	Domicile:	Copenhagen
Executive board	Gino Hugues Olivier Chenu Morten Wordenskjold Hansen	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup	

Management's review

Business review

The company's key activity is to own and operate real estate and any other activity that the executive board deem related thereto.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 11.936.210, and the balance sheet at 31 December 2023 shows equity of DKK 53.683.883.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Income statement 1 January - 31 December

	Note	2023 DKK	2022 DKK
Gross profit		**7.906.556**	**5.128.866**
Fair value adjustments of investment properties		-18.235.217	14.000.000
Profit/loss before net financials		**-10.328.661**	**19.128.866**
Financial income		14.521	0
Financial expenses	2	-4.969.896	-2.680.492
Profit/loss before tax		**-15.284.036**	**16.448.374**
Tax on profit/loss for the year	3	3.347.826	-3.677.384
Profit/loss for the year		**-11.936.210**	**12.770.990**

Distribution of profit

Retained earnings	-11.936.210	12.770.990
	-11.936.210	**12.770.990**

Balance sheet 31 December

	Note	2023	2022
		DKK	DKK
Assets			
Investment properties	4	147.000.000	165.000.000
Tangible assets		**147.000.000**	**165.000.000**
Total non-current assets		**147.000.000**	**165.000.000**
Prepayments		607.811	605.469
Receivables		**607.811**	**605.469**
Cash at bank and in hand		**4.096.062**	**272.104**
Total current assets		**4.703.873**	**877.573**
Total assets		**151.703.873**	**165.877.573**

Balance sheet 31 December

	Note	2023 DKK	2022 DKK
Equity and liabilities			
Share capital		2.500.000	2.500.000
Retained earnings		51.183.883	63.120.093
Equity		**53.683.883**	**65.620.093**
Provision for deferred tax		28.299.176	31.697.822
Total provisions		**28.299.176**	**31.697.822**
Mortgage loans		56.217.443	56.272.558
Payables to group entities		6.742.731	6.742.731
Deposits		3.974.191	3.974.191
Total non-current liabilities	5	**66.934.365**	**66.989.480**
Prepayments received from customers		0	489.644
Trade payables		548.194	404.734
Payables to group entities		0	183.742
Corporation tax		149.219	98.399
Other payables		553.083	393.659
Derivative financial instruments, liabilities	8	1.535.953	0
Total current liabilities		**2.786.449**	**1.570.178**
Total liabilities		**69.720.814**	**68.559.658**
Total equity and liabilities		**151.703.873**	**165.877.573**
Staff expenses	1		
Contingent liabilities	6		
Mortgages and collateral	7		

Statement of changes in equity

	Share capital	Retained earnings	Total
Equity at the beginning	2.500.000	63.120.093	65.620.093
Net profit/loss for the year	0	-11.936.210	-11.936.210
Equity at the end	**2.500.000**	**51.183.883**	**53.683.883**

Notes

		2023	2022
1	**Staff expenses**		
	Number of fulltime employees on average	0	0

		2023 DKK	2022 DKK
2	**Financial expenses**		
	Financial expenses, group entities	368.181	1.259.015
	Other financial costs	4.600.954	1.416.408
	Exchange loss	761	5.069
		4.969.896	**2.680.492**

		2023 DKK	2022 DKK
3	**Tax on profit/loss for the year**		
	Current tax for the year	50.820	98.399
	Deferred tax for the year	-3.398.646	3.578.971
	Adjustment of tax concerning previous years	0	14
		-3.347.826	**3.677.384**

Notes

4 Assets measured at fair value

	Investment properties
Cost at the beginning	87.360.972
Additions for the year	235.217
Cost at the end	87.596.189
Revaluations at the beginning	77.639.028
Revaluations for the year	-18.235.217
Revaluations at the end	59.403.811
Carrying amount at the end	**147.000.000**

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods (DCF's calculations) based on Management's expectations for future cash flow, return requirements etc.

The fair value of investment properties has been calculated based on the following assumptions:
Gross initial yield: 16.68
Vacancy Risk: 3%
Market Rent of Current Rentals: 101%
Opex of rentals: 0.8%
Administrative of Rentals: 1.5%
Exit Yield: 5.86%
The investment property is located in the area of Brøndby

Sensitivity in determination of fair value of investment properties

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

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual ecents 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.

Notes

4 Assets measured at fair value (continued)

Changes in Average Exit Yield	-0,25%	Base	0,25 %
	DKK	DKK	DKK
Exit Yield	4,69	4,94	5,19
Fair value	155.000.000	147.000.000	139.800.000
Change in fair value	8.000.000	0	-7.200.000

5 Long term debt

	Debt at the beginning	Debt at the end	Instalment next year	Debt outstan-ding after 5 years
Mortgage loans	56.272.558	56.217.443	0	0
Payables to group entities	6.742.731	6.742.731	0	0
Deposits	3.974.191	3.974.191	0	0
	66.989.480	**66.934.365**	**0**	**0**

6 Contingent liabilities

The company is jointly taxed with the group entities and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest.

7 Mortgages and collateral

Investment properties at a carrying amount of MDKK 147 at 31 December 2023 have been provided as security for mortgage debt totalling MDKK 56.

Notes

8 Derivative financial instruments, liabilities

The company has entered into an interest rate swap agreement wiht SEB. The nominal amount ot the swap is TDKK 106 and the termination date is 9 December 2027.

The variable interest rate has been swapped to a fixed rate of 3.30%. The agreement were made with the purpose of hedging the interest rate risk.

The fair value of the swap is calculated by SEB based on the agreement's discounted cash flow with the markets interest per 31 December 2023.

The fair value of the swap is TDKK 1.536 and is recognized as a current liability.

Accounting policies

The annual report of Imperial II Log Brøndby 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 provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2023 is presented in DKK.

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, other operating income and other external expenses.

Accounting policies

Revenue

Revenue from rental income is recognised in the income statement at amounts relating to the financial year when revenue can be measured reliably and it is probable that the economic benefits will flow to the Company. Revenue is recognised exclusive of VAT and net of discounts

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 expenses for premises, sales and office expenses etc

Value adjustments of investment properties

Value adjustments of investment property comprise the year's changes in the fair value of investment property.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Accounting policies

Balance sheet

Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capitalby 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 investment properties comprises the acquisition price and expenses directly related to the acquisition, includingcosts 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.

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.

Receivables

Receivables are measured at amortised cost.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Accounting policies

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Mortgage debt is thus measured at amortised cost, which for cash loans corresponds to the outstanding debt. For bond loans, amortised cost corresponds to an outstanding debt calculated as the underlying cash value of the loan at the time of borrowing, adjusted by amortisation of the value adjustment of the loan at the time of borrowing.

Financial liabilities also include the capitalised residual finance lease commitment.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under ‘Equity’.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' or 'Other payables', respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future cash flows are recognised in other receivables or other payables and in the fair value reserve under ‘Equity’. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.