Datter Rosetum K/S

Rosengårdcentret
Ørbækvej 75, DK-5220 Odense SØ

CVR no. 32 34 89 20

Annual report 2023

Approved at the Company's annual general meeting on 23 April 2024

Chair of the meeting:

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Markus Oskar Schmitt-Habersack

Contents

Statement by the Management

Today, the Management has discussed and approved the annual report of Datter Rosetum K/S 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 consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Company at 31 December 2023 and of the results of the Group's and the Company's operations and of the consolidated cash flows for the financial year 1 January - 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Odense, 23 April 2024
Board of Directors:

Dr. Volker Kraft	Andre Scharf	Michael Wiwe
Markus Oskar Schmitt-Habersack		

Independent auditor's report

To the limited partners of Datter Rosetum K/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Datter Rosetum K/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in net assets attributable to limited partners and notes, including accounting policies, for the Group and the Parent Company, and a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group's and Parent Company's operations as well as the consolidated cash flows 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 consolidated financial statements and the parent Company financial statements" (herinafter collectively referred to as "the financial statements") section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group 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.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 the 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 Group's and the Parent Company'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 Group's and the Parent 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or 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.

Independent auditor's report

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the 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 of the Management's review.

Copenhagen, 23 April 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kaare K. Lendorf
State Authorised Public Accountant
mne33819

Management's review

Company details

Name	Datter Rosetum K/S
Address, Postal code, City	Rosengårdcentret Ørbækvej 75, DK-5220 Odense SØ
CVR no.	32 34 89 20
Registered office	Odense
Financial year	1 January - 31 December
Board of Directors	Dr. Volker Kraft Andre Scharf Michael Wiwe Markus Oskar Schmitt-Habersack
General Partner	RGC GP CO. S.á r.l. Arbejdsmarkedets Tillægspension
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Financial highlights for the Group

DKK'000	2023	2022	2021	2020	2019
Key figures					
Revenue	152,872	158,938	157,297	155,706	154,194
Gross profit	120,480	119,518	125,900	115,477	122,754
Profit/ loss before net financials	69,813	-23,971	156,016	-2,334	244,104
Net financials	-157,508	340,514	62,669	-118,520	-46,436
Profit/loss for the year	-87,695	316,543	218,685	-120,854	197,668
Total assets	4,250,919	4,222,792	3,932,859	3,890,912	3,982,718
Investments in property, plant and equipment	0	0	0	-28,636	-54,433
Net assets attributable to limited partners	2,052,432	2,216,990	1,928,583	1,805,085	1,994,571
Financial ratios					
Operating margin	45.7%	-15.1%	99.2%	-1.5 %	158.3 %
Gross margin	78.8%	75.2%	80.0%	74.2%	79.6%
Return on assets	1.6%	-0.6%	4.0%	-0.1%	6.2%
Current ratio	401.9%	82.8%	51.3%	70.7%	18.3%
Solvency ratio	48.3%	52.5%	49.0%	46.4%	50.1%
Return on net assets attributable to limited partners	-4.1%	15.3%	11.7%	-6.4%	10.0%

Management's review

Business review

The Group's primary activity is to own and to carry on letting of real estate property.

Financial review

In 2023, the group's revenue came in at DKK 152,872 thousand net of amortization of leasing costs of 38.704 thousand, compared to DKK 158,938 thousand last year. The income statement for 2023 shows a loss of DKK -87,695 thousand against a profit of DKK 316,543 thousand last year, and the balance sheet at 31 December 2023 shows net assets attributable to limited partners of DKK 2,052,432 thousand.

In last years outlook for 2023 revenues was expected to amount to DKK 189,140 thousand excluding lease incentives.

The decrease in revenue is mainly caused by two large lessees terminating their lease contract before end of non-cancellable period due to bankruptcy. The carrying amount of those lease incentives, approx. DKK 14 million, is reducing the revenue. Disregarded those lease incentives, revenue has increased app. 5%, due to indexation, decrease in vacancy and increased turnover-based lease income.

The development of the net financials is due to negative fair value adjustments of the interest swaps, (and partly realised in 2023). In addition, a new interest-bearing loan of DKK 184 million has been added.

Management considers the group's financial performance in the year satisfactory.

Impact on the external environment

Datter Rosetum K/S is dedicated to reduce and minimize its own environmental impact. Therefore, the Centre offers a DGNB Gold energy certificate. The overall goal is to reduce CO2-emissions, e.g. use of electricity and water as well as reduce waste in the Centre. Measures are for example changing all lighting to LED as well as the use of intelligent lighting plans and time schedules for the Centre. In addition, the Centre's technical management system will be further optimized in terms of controlling cooling, heating and overall electricity consumption.

In 2023, the Centre saved around 1.7 mio. kWh in electricity compared to 2019. Furthermore, another 12 car charging stations could be added to the Centre and parking area (32 in total). Moreover, a roof renovation was carried out in 2023 in order to allow for the implementation of a Photovoltaic system with a capacity of 748 kWp. With this measure a degree of self-sufficiency of approx. 18.6% will be achieved.

Events after the balance sheet date

No events materially affecting the Group's and the Company's financial position have occurred subsequent to the financial year-end.

Outlook

For 2024 revenues are expected to amount to DKK 184,745 thousand excluding lease incentives. On this basis, a profit of DKK 96,835 thousand has been budgeted for 2024. The expectations are based on the assumption that the market value of the investment property remains unchanged.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Income statement

		Group		Parent company	
Note	**DKK'000**	**2023**	**2022**	**2023**	**2022**
	Revenue	152,872	158,938	130,845	120,319
	Other external expenses	-32,392	-39,420	-28,084	-30,734
	Gross profit	120,480	119,518	102,761	89,585
2	Staff costs	0	0	0	0
	Operating profit before fair value adjustments	120,480	119,518	102,761	89,585
	Fair value adjustments of investment property	-50,667	-143,489	-43,129	-100,412
	Profit/loss before net financials	69,813	-23,971	59,632	-10,827
	Income from investments in group entities	0	0	-36,427	92,095
3	Financial income	4,575	362,305	4,492	250,465
4	Financial expenses	-162,083	-21,791	-115,392	-15,190
	Profit/loss for the year	-87,695	316,543	-87,695	316,543

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	Group 2023	Group 2022	Parent company 2023	Parent company 2022
	ASSETS				
	Non-current assets				
6	**Property, plant and equipment**				
	Investment property	3,659,289	3,682,903	2,775,479	2,791,347
	Lease incentives	105,711	115,097	60,942	57,587
		3,765,000	3,798,000	2,836,421	2,848,934
7	**Financial assets**				
	Investments in group entities, net asset value	0	0	492,321	528,747
	Derivative financial instruments	67,085	371,016	44,723	256,485
		67,085	371,016	537,044	785,232
	Total non-current assets	3,832,085	4,169,016	3,373,465	3,634,166
	Current assets				
	Receivables				
	Trade receivables	25,675	18,712	18,057	11,342
	Receivables from group entities	351,895	0	351,895	0
8	Prepayments	3,096	2,639	3,096	2,639
		380,666	21,351	373,048	13,981
	Cash	38,168	32,425	9,581	31,172
	Total current assets	418,834	53,776	382,629	45,153
	TOTAL ASSETS	4,250,919	4,222,792	3,756,094	3,679,319

Consolidated financial statements and parent company financial statements 1 January - 31 December

Balance sheet

		Group		Parent company	
Note	**DKK'000**	**2023**	**2022**	**2023**	**2022**
	NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS AND LIABILITIES				
	Net assets attributable to limited partners				
	Limited partnership capital	1,040,057	1,040,057	1,040,057	1,040,057
	Retained earnings	1,012,375	1,176,933	1,012,375	1,176,933
	Total net assets attributable to limited partners	2,052,432	2,216,990	2,052,432	2,216,990
	Liabilities				
9	**Non-current liabilities**				
	Mortgage debt	2,094,266	1,940,858	1,494,819	1,341,721
	Total non-current liabilities	2,094,266	1,940,858	1,494,819	1,341,721
	Current liabilities				
9	Mortgage debt	23,417	0	23,417	0
	Trade payables	16,430	8,576	12,620	4,893
	Payables to group entities	0	0	136,402	80,436
	Other payables	64,374	56,368	36,404	35,279
	Total current liabilities	104,221	64,944	208,843	120,608
	Total liabilities	2,198,487	2,005,802	1,703,662	1,462,329
	TOTAL NET ASSETS ATTRIBUTABLE TO LIMITED PARTNERS AND LIABILITIES	4,250,919	4,222,792	3,756,094	3,679,319

1 Accounting policies
5 Appropriation of profit/loss
10 Derivative financial instruments
11 Security and collateral
12 Related parties

Consolidated financial statements and parent company financial statements 1 January - 31 December

Statement of changes in net assets attributable to limited partners

		Group		
Note	DKK'000	Limited partnership capital	Retained earnings	Total
	Net assets attributable to limited partners at 1 January 2022	1,040,057	888,527	1,928,584
	Transfer through appropriation of profit	0	288,406	288,406
	Net assets attributable to limited partners at 1 January 2023	1,040,057	1,176,933	2,216,990
	Transfer through appropriation of loss	0	-164,558	-164,558
	Net assets attributable to limited partners at 31 December 2023	1,040,057	1,012,375	2,052,432

		Parent company		
Note	DKK'000	Limited partnership capital	Retained earnings	Total
	Net assets attributable to limited partners at 1 January 2022	1,040,057	888,526	1,928,583
5	Transfer, see "Appropriation of profit/loss"	0	288,407	288,407
	Net assets attributable to limited partners at 1 January 2023	1,040,057	1,176,933	2,216,990
5	Transfer, see "Appropriation of profit/loss"	0	-164,558	-164,558
	Net assets attributable to limited partners at 31 December 2023	1,040,057	1,012,375	2,052,432

Consolidated financial statements and parent company financial statements 1 January - 31 December

Cash flow statement

Note	DKK'000	Group 2023	Group 2022
	Profit/loss for the year	-87,695	316,543
13	Adjustments	236,543	-182,890
	Cash generated from operations (operating activities)	148,848	133,653
14	Changes in working capital	8,440	-5,039
	Cash generated from operations (operating activities)	157,288	128,614
	Interest received, etc.	87	8
	Interest paid, etc.	-42,922	-20,583
	Cash flows from operating activities	114,453	108,039
	Additions of property, plant and equipment	-46,273	-64,624
	Cash flows to investing activities	-46,273	-64,624
	Dividends distributed	-76,863	-28,137
	Payments from derivatives	186,000	0
	Proceeds of long-term liabilities	181,938	0
	Distribution of loan to group entities	-347,419	0
	Repayments, debt to credit institutions	-6,093	0
	Cash flows from financing activities	-62,437	-28,137
	Net cash flow	5,743	15,278
	Cash and cash equivalents at 1 January	32,425	17,147
15	**Cash and cash equivalents at 31 December**	38,168	32,425

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Datter Rosetum K/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium-sized reporting class C entities.

The figures regarding Datter Rosetum II K/S are included in the consolidated financial statements for Datter Rosetum K/S, and consequently there is no requirement to submit stand-alone financial statements for this entity. Instead of submitting stand-alone financial statements for Datter Rosetum II K/S, Management will submit an exemption statement in accordance with section 5(1) of the Danish Financial Statements Act.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Consolidated financial statements

Control

The consolidated financial statements comprise the Parent Company, Datter Rosetum K/S, and subsidiaries controlled by the Parent Company.

Control means a parent company's power to direct a group entity's financial and operating policy decisions. Besides the above power, the parent company should also be able to yield a return from its investment.

In assessing if the parent company controls an entity, de facto control is taken into consideration as well.

The existence of potential voting rights which may currently be exercised or converted into additional voting rights is considered when assessing if an entity can become empowered to direct another entity's financial and operating decisions.

Preparation of consolidated financial statements

The consolidated financial statements are prepared as a consolidation of the parent company's and the individual group entities' financial statements, which are prepared according to the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains on intra-group transactions are eliminated. Unrealised gains on transactions with associates are eliminated in proportion to the group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains if they do not reflect impairment.

In the consolidated financial statements, the accounting items of group entities are recognised in full. Non-controlling interests' share of the profit/loss for the year and of the equity of group entities which are not wholly-owned are included in the group's profit/loss and equity, respectively, but are disclosed separately.

Acquisitions and disposals of non-controlling interests which are still controlled are recognised directly in equity as a transaction between shareholders.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

On initial recognition, derivative financial instruments are recognised at cost in the balance sheet and are subsequently measured at fair value. Positive and negative fair values of derivative financial instruments are presented as separate items in the balance sheet.

Fair value adjustments of derivative financial instruments that do not qualify for hedge accounting are recognized in the income statement on a current basis.

Income statement

Revenue

Rental income receivable from operating leases is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis.

The lease period is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where at the inception of the lease the directors are reasonably certain that the tenant will exercise that option. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the income statement when they arise.

Service charges and expenses recoverable from tenants:
Income arising from expenses recharged to tenants is recognised in the period in which the expense can be contractually recovered. Service charges and other such receipts are included gross of the related costs in revenue when the directors deem that the Group acts as principal and net when the directors deem that the Group acts as agent.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to sales activities, maintance, administration in general, bad debts, etc.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies (continued)**

Profit/loss from investments in group entities

The item includes the Parent Company's proportionate share of the profit/loss for the year in group entities after elimination of intra-group income or losses.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses.

Tax

The financial statements do not include tax as the individual limited partners include results from the limited partnership in their income statements.

Balance sheet

Investment property

On initial recognition, investment property is measured at cost. Investment property is subsequently measured at fair value, and the value adjustment for the year is recognised in the income statement under the item "Fair value adjustment of investment property". The fair value is based on the expected future cash flows for the investment property.

Investments in group entities

Investments in subsidiaries are measured according to the equity method.

On initial recognition, investments in subsidiaries are measured at cost and subsequently at the proportionate share of the entities' net asset values calculated in accordance with the parent company's accounting policies. Subsidiaries with a negative net asset value are measured at DKK 0 (nil), and any amounts owed by such entities are written down by the parent company's share of the net asset value if the amount owed is deemed irrecoverable. If the negative net asset value exceeds the amounts owed, the remaining amount is recognised under provisions if the parent company has a legal or a constructive obligation to cover the entity's deficit.

Newly acquired of formed entities are recognised in the financial statements from the date of acquisition or formation. Entities sold or otherwise disposed of are recognised up to the date of disposal.

Corporate acquisitions are accounted for using the purchase method accounting to which the acquried entity's identifiable assets and liabilities are measured at fair value at the date of acquisition. In connection with the acquisition, a provision is made for expenses related to adopted plans to restructure the acquired entity.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

Cash comprise cash at bank.

Net assets attributable to limited partners

According to the Company's Articles of Association, the net results of operations are distributed to the limited partners in proportion to the individual limited partner's share of the Aggregate Commitments.

Any non-discretionary obligation to pay dividends entails a liability that must be recorded on initial recognition of the instrument.

The fact that the limited partners are entitled to a distribution of the net results of the operations establishes an additional liability for the Company, as the Company has a contractual obligation to pay cash in respect of both the redemption of paid commitment and the required dividend payments.

The liability must be recognised at an amount equal to the present value of both the redemption amount of the paid commitment and the non-discretionary dividends. As the dividends were set at market rate, this resulted in an overall liability classification of both the paid commitment and the required dividend payments.

The paid commitment and retained earnings have therefore been presented as net assets attributable to limited partners in the financial statements.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at net realisable value.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, 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).

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

Cash flow statement

The cash flow statement shows the Group's net cash flows broken down according to operating, investing and financing activities, the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and the end of the year.

Cash flows from operating activities are calculated as the profit/loss for the year adjusted for non-cash operating items and changes in working capital.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities and of investment property.

Cash flows from financing activities comprise changes in the size or composition of the Group's net assets and related expenses as well as raising of loans, repayment of interest bearing debt and payment of dividends to shareholders.

Cash and cash equivalents comprise cash, short term bank loans and short term securities which are readily convertible into cash and which are subject only to insignificant risks of changes in value.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating profit/loss	Profit/loss before net financials +/- Other operating income and other operating expenses
Operating margin	Operating profit/loss (EBIT) x 100 / Revenue
Gross margin	Gross profit/loss x 100 / Revenue
Return on assets	Profit/loss from operating activites x 100 / Average assets
Current ratio	Current assets x 100 / Current liabilities
Solvency ratio	Net assets attributable to limited partners at year end x 100 / Total net assets attributable to limited partners and liabilities at year end
Return on net assets attributable to limited partners	Profit/loss after tax x 100 / Average net assets attributable to limited partners

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

Group

The group has no employees.

Parent company

The parent Company has no employees.

		Group		Parent company	
	DKK'000	**2023**	**2022**	**2023**	**2022**
3	**Financial income**				
	Interest receivable, group entities	4,476	0	4,476	0
	Other interest income	99	8	16	8
	Fair value adjustments of financial instruments	0	362,297	0	250,457
		4,575	362,305	4,492	250,465
4	**Financial expenses**				
	Other interest expenses	41,598	19,609	29,432	13,556
	Fair value adjustments of financial instruments	117,931	0	83,762	0
	Other financial expenses	2,554	2,182	2,198	1,634
		162,083	21,791	115,392	15,190

		Parent company	
	DKK'000	**2023**	**2022**
5	**Appropriation of profit/loss**		
	Recommended appropriation of profit/loss		
	Dividend to limited partners	76,863	28,137
	Retained earnings/accumulated loss	-164,558	288,406
		-87,695	316,543

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

6 **Property, plant and equipment**

	Group		
DKK'000	**Investment property**	**Lease incentives**	**Total**
Cost at 1 January 2023	3,137,647	208,562	3,346,209
Additions in the year	27,261	35,681	62,942
Disposals in the year	-208	-20,658	-20,866
Cost at 31 December 2023	3,164,700	223,585	3,388,285
Revaluations at 1 January 2023	545,256	0	545,256
Revaluations in the year	-50,667	0	-50,667
Revaluations at 31 December 2023	494,589	0	494,589
Impairment losses and depreciation at 1 January 2023	0	93,465	93,465
Amortisation/depreciation in the year	0	43,625	43,625
Reversal of prior-year impairment losses	0	-19,216	-19,216
Impairment losses and depreciation at 31 December 2023	0	117,874	117,874
Carrying amount at 31 December 2023	3,659,289	105,711	3,765,000

	Parent company		
DKK'000	**Investment property**	**Lease incentives**	**Total**
Cost at 1 January 2023	2,238,504	117,459	2,355,963
Additions in the year	27,261	22,150	49,411
Disposals in the year	0	-3,028	-3,028
Cost at 31 December 2023	2,265,765	136,581	2,402,346
Revaluations at 1 January 2023	552,843	0	552,843
Revaluations in the year	-43,129	0	-43,129
Revaluations at 31 December 2023	509,714	0	509,714
Impairment losses and depreciation at 1 January 2023	0	59,872	59,872
Amortisation/depreciation in the year	0	18,528	18,528
Reversal of prior-year impairment losses	0	-2,761	-2,761
Impairment losses and depreciation at 31 December 2023	0	75,639	75,639
Carrying amount at 31 December 2023	2,775,479	60,942	2,836,421

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Notes to the financial statements

Investment property

Group

Fair value estimation

The fair value is based on a level 3 assessment.
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 management.

The independent appraisers CBRE have been consulted for purposes of estimating the fair value of the investment property.

The valuation model used to estimate the fair value is a DCF model with a ten-year budget model.

Expected future cash flows are based on budgets approved by Management for the coming years and an estimated terminal value for the remaining life of the property. The discount factor comprises the risk-free interest rate and a risk premium for the property.

Significant fair value assumptions

The most significant fair value assumptions are the following:

- Discount rate 7.21%
- Exit yield 5.21%
- Inflation rate 2.00 %

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Notes to the financial statements

7 Financial assets

DKK'000	Group Derivative financial instruments
Cost at 1 January 2023	0
Value adjustments at 1 January 2023	371,016
Share of the profit/loss for the year	0
Fair value of swap	-303,931
Value adjustments at 31 December 2023	67,085
Carrying amount at 31 December 2023	67,085

	Parent company		
DKK'000	Investments in group entities, net asset value	Derivative financial instruments	Total
Cost at 1 January 2023	317,500	0	317,500
Cost at 31 December 2023	317,500	0	317,500
Value adjustments at 1 January 2023	211,247	256,485	467,732
Share of the profit/loss for the year	-36,426	0	-36,426
Fair value of swap	0	-211,762	-211,762
Value adjustments at 31 December 2023	174,821	44,723	219,544
Carrying amount at 31 December 2023	492,321	44,723	537,044

Parent company

Name	Legal form	Domicile	Interest	Equity DKK'000	Profit/loss DKK'000
Datter Rosetum II	K/S	Odense	100.00%	492,321	36,426

8 Prepayments

Group

Prepayments include accrual of expenses relating to subsequent financial years DKK 3,096 thousand (2022: DKK 2,639 thousand).

Parent company

Prepayments include accrual of expenses relating to subsequent financial years, DKK 3,096 thousand (2022: DKK 2,639 thousand).

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Notes to the financial statements

9 Non-current liabilities

	Group			
DKK'000	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Mortgage debt	2,117,683	23,417	2,094,266	2,006,294
	2,117,683	23,417	2,094,266	2,006,294

Amortised borrowing costs recognised in mortgage debt represents DKK 15,881 thousand.

	Parent company			
DKK'000	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Mortgage debt	1,518,236	23,417	1,494,819	1,402,736
	1,518,236	23,417	1,494,819	1,402,736

Amortised borrowing costs recognised in mortgage debt represents DKK 11,770 thousand.

10 Derivative financial instruments

Group

Interest rate risks

The Group uses interest rate swaps to hedge interest rate risks, whereby floating interest payments are rescheduled into fixed interest payments.

Group

Interest rate risks

		2023		
DKK'000	Paying interest	Notional principal amount	Fair value	Time to maturity
				years
Interest rate swap 1	1,94000	1,351,622	50,080	7
Interest rate swap 2	1,94000	603,558	22,362	7
Interest rate swap 3	3,51800	184,000	-5,357	7
		2,139,180	67,085	

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

10 Derivative financial instruments (continued)

Group

Fair values

The fair value of the below financial instruments deviates from the value recognised in the Group's balance sheet at 31 December 2023.

Fair value disclosures

The Group has the following assets and liabilities measured at fair value:

DKK'000	Derivative financial instruments
Group	
Fair value at year end	67,085
Unrealised fair value adjustments for the year, recognised in the income statement	-117,931
Fair value level	2
Parent Company	
Fair value at year end	44,723
Unrealised fair value adjustments for the year, recognised in the income statement	-83,762
Fair value level	2

Group

Interest rate swaps have been entered into in order to hedge future interest payments on floating-rate loans. The swaps have an original maturity term of 10 years. Under the contracts, an interest rate of CIBOR 6 months is exchanged for a fixed rate of interest of 1,940%on loans with a principal amount of T.DKK 1,955,180. In 2023, a new swap agreement has been entered into with an maturity term of 7 years and a fixed interest of 3,518%, on the basis of the loan principal amount of T.DKK 184,000. The interest rate swaps have been entered into in order for the total term of the grace period of the loans. The fair value of interest rate swaps at the balance sheet date amount to T.DKK 67,085. Which has been recognized as an asset under derivative financial instruments.

Parent company

Interest rate swap has been entered into in order to hedge future interest payments on floating-rate loan. The swap has an original maturity term of 10 years. Under the contract, an interest rate of CIBOR 6 months is exchanged for a fixed rate of interest of 1,940%on loan with a principal amount of T.DKK 1,351,622.In 2023, a new swap agreement has been entered into with an maturity term of 7 years and a fixed interest of 3,518%, on the basis of the loan principal amount of T.DKK 184,000. The interest rate swap has been entered into in order for the total term of the grace period of the loan. The fair value of interest rate swap at the balance sheet date amount to T.DKK 44,723. Which has been recognized as an asset under derivative financial instruments.

Consolidated financial statements and parent company financial statements 1 January - 31 December

Notes to the financial statements

11 Security and collateral

Group

As security for the Group's debt to mortgage credit institutions and banks, T.DKK 2,094,266, the Group has pledged land and buildings. The total carrying amount of the assets placed as security was T.DKK 3,659,289 at 31 December 2023.

Parent company

As security for the parent company's debt to mortgage credit institutions and banks, T.DKK 1,494,819, the parent company has placed land and buildings as security. The total carrying amount of the assets placed as security was T.DKK 2,775,479 at 31 December 2023.

12 Related parties

Parent company

Datter Rosetum K/S' related parties comprise the following:

Parties exercising control

Related party	Domicile	Basis for control
ECE Progressive Income Growth Fund, SCA SICAV-RAIF	Luxembourg	Controlling interest
Arbejdsmarkedets Tillægspension	Denmark	Participating interest

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
ECE Progressive Income Growth Fund, SCA SICAV-RAIF	Luxembourg	www.lbr.lu

Transactions with related parties

The Parent company has carried out the following related party transactions in the financial year:

Related party	Amount	Description of transaction
	DKK'000	
Datter Rosetum II K/S	-136,402	Intra-group transactions
RGC JV CO. S.á r.l.	351,895	Short-term loan

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Notes to the financial statements

	DKK'000	Group 2023	Group 2022
13	**Adjustments**		
	Net adjustment lease incentives	28,347	14,135
	Financial income	-4,563	-362,305
	Financial expenses	162,092	21,791
	Fair value adjustments of investment property	50,667	143,489
		236,543	-182,890
14	**Changes in working capital**		
	Change in receivables	-7,419	-5,358
	Change in trade payables, etc.	15,859	319
		8,440	-5,039
15	**Cash and cash equivalents at year-end**		
	Cash according to the balance sheet	38,168	32,425
		38,168	32,425

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Andre Scharf
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Board of Directors
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Kaare Kristensen Lendorf
EY Godkendt Revisionspartnerselskab CVR: 30700228
State Authorised Public Accountant
On behalf of: EY Godkendt Revisionspartnerselskab
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2024-05-13 08:20:57 UTC