Promontoria Logistics Denmark 3 ApS

C/O Intertrust (Denmark) ApS

Sundkrogsgade 21, DK-2100 Copenhagen

CVR no. 32 93 48 62

Annual report for 2023

Adopted at the annual general mee-
ting on 21 May 2024

Anders Maier
chairman

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Statement by management on the annual report

The Management has today discussed and approved the annual report of Promontoria Logistics Denmark 3 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, 21 May 2024

Management

Magnus Glissmann Bojer-Larsen Director	Katrine Kofoed Hansen director	Ewoud Adrian Boekhout director
Cornelis Johannes Snoek director		

Independent Auditor's Report

To the shareholder of Promontoria Logistics Denmark 3 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 Promontoria Logistics Denmark 3 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 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.

- 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, 21 May 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Kenneth Østergaard
State Authorized Public Accountant
MNE no. mne47262

Company details

The company	Promontoria Logistics Denmark 3 ApS Sundkrogsgade 21 C/O Intertrust (Denmark) ApS DK-2100 Copenhagen	
	CVR no.:	32 93 48 62
	Reporting period:	1 January - 31 December 2023
	Domicile:	Copenhagen
Management	Magnus Glissmann Bojer-Larsen, director Katrine Kofoed Hansen, director Ewoud Adrian Boekhout, director Cornelis Johannes Snoek, director	
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup	

Management's review

Business review

Like previous years, the activities are to own and lease real estate.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 862.372, and the balance sheet at 31 December 2023 shows equity of DKK 85.520.384.

As at 31 December 2023 the company's working capital is negative, mainly caused by the December 2023 loan facility with group entities. This facility has a maturity date of 5 December 2024. Cerberus lnstitutional Real Estate Partners V, L.P., CIREP Centre Street L.P. and Cerberus Strategic lndustrial Sidecar Fund L.P., each on a joint and several bases, have irrevocably and unconditionally guaranteed all liabilities and all other obligations of the company under the loan facility agreement.

As a result of the above, the financial statements have been prepared under the assumption of going concern.

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	2022
		DKK	DKK
Gross profit		**5.380.793**	**5.921.395**
Fair value adjustments of investment properties		-250.000	-12.731.391
Profit/loss before net financials		**5.130.793**	**-6.809.996**
Income from investments in subsidiaries		125.811	-12.949.361
Financial expenses	2	-3.806.576	-1.924.425
Profit/loss before tax		**1.450.028**	**-21.683.782**
Tax on profit/loss for the year	3	-587.656	1.921.573
Profit/loss for the year		**862.372**	**-19.762.209**

Distribution of profit

Reserve for net revaluation under the equity method	125.811	-12.949.361
Retained earnings	736.561	-6.812.848
	862.372	**-19.762.209**

Balance sheet 31 December

	Note	2023 DKK	2022 DKK
Assets			
Investment properties	4	114.500.000	114.750.000
Tangible assets		**114.500.000**	**114.750.000**
Investments in subsidiaries		54.067.746	53.941.935
Fixed asset investments		**54.067.746**	**53.941.935**
Total non-current assets		**168.567.746**	**168.691.935**
Trade receivables		1.167.495	760.908
Receivables from group entities		0	8.146.596
Corporation tax		0	339.975
Prepayments		88.841	272.067
Receivables		**1.256.336**	**9.519.546**
Cash at bank and in hand		**1.245.821**	**0**
Total current assets		**2.502.157**	**9.519.546**
Total assets		**171.069.903**	**178.211.481**

Balance sheet 31 December

	Note	2023 DKK	2022 DKK
Equity and liabilities			
Share capital		81.000	81.000
Reserve for net revaluation under the equity method		39.812.539	39.686.728
Retained earnings		45.626.845	44.890.284
Equity		**85.520.384**	**84.658.012**
Provision for deferred tax		14.420.428	13.098.053
Total provisions		**14.420.428**	**13.098.053**
Tenant deposits		3.827.051	3.827.051
Total non-current liabilities	5	**3.827.051**	**3.827.051**
Trade payables		1.085.199	1.862.464
Payables to group entities		65.349.868	74.205.308
Other payables		866.973	560.593
Total current liabilities		**67.302.040**	**76.628.365**
Total liabilities		**71.129.091**	**80.455.416**
Total equity and liabilities		**171.069.903**	**178.211.481**
Staff expenses	1		
Uncertainty about the continued operation (going concern)	6		
Contingent liabilities	7		

Statement of changes in equity

	Share capital	Reserve for net revaluation under the equity method	Retained earnings	Total
Equity at the beginning	81.000	39.686.728	44.890.284	84.658.012
Net profit/loss for the year	0	125.811	736.561	862.372
Equity at the end	**81.000**	**39.812.539**	**45.626.845**	**85.520.384**

Notes

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

		2023	2022
		DKK	DKK
2	**Financial expenses**		
	Financial expenses, group entities	3.788.940	1.657.496
	Other financial costs	6.507	266.929
	Exchange loss	11.129	0
		3.806.576	**1.924.425**

		2023	2022
		DKK	DKK
3	**Tax on profit/loss for the year**		
	Current tax for the year	0	879.333
	Deferred tax for the year	980.608	-2.800.906
	Adjustment of tax concerning previous years	-392.952	0
		587.656	**-1.921.573**

Notes

4 Investment properties

	Investment properties
Cost at the beginning	86.517.400
Cost at the end	86.517.400
Revaluations at the beginning	28.232.600
Revaluations for the year	-250.000
Revaluations at the end	27.982.600
Carrying amount at the end	**114.500.000**

Disclosure of the assumptions underlying fair value calculations of assets and liabilities

The measurement of properties is made using a return based cash flow model based on expected future net cash flows over a period of 10 years. The required rate of return is determined by an external assessor. The fair value measurement is made on the basis of estimated rental income and expected operating costs, including scheduled maintenance. Cash flows beyond the 10th year (terminal value) is determined according to a net rent model based on the 10th year, but at average estimates as to vacant periods, improvement costs, major maintenance costs, and investments. Cash flows from each year and the value of the terminal year are discounted with the required rate of return determined for each individual property with addition of inflation.

Compared to the previous financial year, the methods of measurement remain unchanged.

Assumptions underlying the determination of fair value of investment properties

Required rate of return is 5,78% (2022: 5,60%).

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

Notes

4 Investment properties (continued)

Sensitivity in determination of fair value of investment properties

The major factors in determining the fair value of the property are the rates of return and occupancy, respectively.

Property is located in: Lunderskov
Rate of return: 5,78%
Rent pr. Sqm: 328
Inflation rate: 1-2%
Increase of rental income in budgets for the period: 1,5-3%
Actual increase in rent in the period: 3%
Vacancy: 0%

A decrease in the rental income of 0,5% after the non-terminability periods would result in a fluctuation in the fair value of TDKK 5.872.

Changes in	-0,50%	Base	0,50 %
	DKK	DKK	DKK
Rate of return	5,28	5,78	6,28
Fair value	119.805.695	114.500.000	119.260.700
Change in fair value	5.305.695	0	4.760.700

5 Long term debt

	Debt at the beginning	Debt at the end	Instalment next year	Debt outstanding after 5 years
Tenant deposits	3.827.051	3.827.051	0	0
	3.827.051	**3.827.051**	**0**	**0**

Notes

6 Uncertainty about the continued operation (going concern)

As at 31 December 2023 the company’s working capital is negative, mainly caused by the December 2023 loan facility with group entities. This facility has a maturity date of 5 December 2024. Cerberus Institutional Real Estate Partners V, L.P., CIREP Centre Street L.P. and Cerberus Strategic Industrial Sidecar Fund L.P., each on a joint and several bases, have irrevocably and unconditionally guaranteed all liabilities and all other obligations of the company under the loan facility agreement.

As a result of the above, the financial statements have been prepared under the assumption of going concern.

7 Contingent liabilities

Joint taxation

The company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax.

The jointly taxed enterprises' total known net liability to the Danish tax authorities emerges from the financela statements of the administration company.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Accounting policies

The annual report of Promontoria Logistics Denmark 3 ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B entities, 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.

Pursuant to sections §110 subsection 1, of the Danish Financial Statements Act, the company has not prepared consolidated financial statements.

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

Gross profit comprises the revenue and external costs.

Accounting policies

Lease income comprises income from the lease of property and from overhead costs collected and is recognised in the income statement for the period relating to the lease payment. Income from the heating account is recognised in the statement of financial position as a balance with lessees.

Other external costs comprise costs incurred administration.

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.

Results from investment in subsidiaries

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the investment in the subsidiary is recognised in the income statement as a proportional share of the subsidiary' post-tax profit or loss.

Tax on profit/loss for the year

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.

Balance sheet

Investment properties

At the initial recognition, investment property is measured at cost, comprising the cost of the property and directly associated costs, if any.

Accounting policies

Hereafter, investments are measured individually on the basis of a return-based cash flow model based on expected future net cash flows over a period of 10 years. The required rate of return is determined by an external assessor. Fair value measurement is made on the basis of estimated lease income and expected operating costs, including scheduled maintenance. Compared to the previous financial year, the method of measurement remains unchanged.

Costs adding new or improved qualities to an investment property compared to its condition at the time of acquisition, thereby improving the future return on the property, are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognised in the income statement under the item ”Gross profit”.

Like other property, plant, and equipment except for land, investment property has a limited economic life. The impairment taking place concurrently with the ageing of the investment property is reflected in the continuing measurement of the investment property at fair value.

Value adjustments are recognised in the income statement under the item ”Value adjustments of property”.

Investments in subsidiaries
Investments in subsidiarie are measured at the proportionate share of the net asset value of the entities, calculated on the basis of the group's accounting policies, plus or less unrealised intra-group gains or losses and plus or less any remaining value of positive or negative goodwill stated according to the purchase method. Negative goodwill is recognised in the income statement on acquisition. Where the negative goodwill relates to contingent liabilities having been taken over, the negative goodwill is not recognised until the contingent liabilities have been settled or no longer exist.

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.

Accounting policies

Equity

Reserve for net revaluation according to the equity method

The reserve for net revaluation according to the equity method comprises net revaluation of equity investments in subsidiaries proportional to cost.

The reserve may be eliminated in the event of losses, realisation of equity investments, or changes in the accounting estimates.

The reserve cannot be recognised by a negative amount.

Dividends

Proposed dividends are disclosed as a separate item under equity.

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.

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

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.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are measured at the value to which the asset is expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities within the same legal tax entity. Any deferred net tax assets are measured at net realisable value.

Accounting policies

Liabilities
Financial liabilities other than provisions related to borrowings are recognised at the received proceeds less transaction costs incurred. In subsequent periods, the financial liabilities are recognised at amortised cost, corresponding to the capitalised value when using the effective interest rate. The difference between the proceeds and the nominal value is recognised in the income statement during the term of the loan.

Liabilities other than provisions relating to investment properties are measured at amortised cost.

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'.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Fixed assets acquired in foreign currencies are translated at the exchange rate at the transaction date.