



CERF II PropCo Green ApS

Axeltorv 6, 5. th
1609 København V
CVR No. 33764359

Annual report 2023

The Annual General Meeting adopted the annual report on 28.06.2024

Klaus Erik Lambert Larsen
Chairman of the General Meeting

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Entity details

Entity

CERF II PropCo Green ApS

Axeltorv 6, 5. th

1609 København V

Business Registration No.: 33764359

Registered office: København

Financial year: 01.01.2023 - 31.12.2023

Board of Directors

Klaus Erik Lambert Larsen

Anssi Sakari Halonen

Emmanuel Philippe Bernard Erange

Erik Pontus Michael Flemme Gärdsell

Executive Board

Erik Pontus Michael Flemme Gärdsell

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 CERF II PropCo Green ApS 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, 28.06.2024

Executive Board

Erik Pontus Michael Flemme Gärdsell

Board of Directors

Klaus Erik Lambert Larsen

Anssi Sakari Halonen

Emmanuel Philippe Bernard Erange

Erik Pontus Michael Flemme Gärdsell

Independent auditor's extended review report

To the shareholders of CERF II PropCo Green ApS

Conclusion

We have performed an extended review of the financial statements of CERF II PropCo Green ApS 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.

Based on our extended review, 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 conclusion

We conducted our extended review in accordance with the assurance engagement standard for small enterprises as issued by the Danish Business Authority and the standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act as issued by FSR - Danish Auditors. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the extended review of the financial statements" section. 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting 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 extended review of the financial statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures to obtain limited assurance about our conclusion on the financial statements and that we also perform specifically required supplementary procedures for the purpose of obtaining additional assurance about our conclusion.

An extended review consists of making inquiries, primarily of Management and, if appropriate, of other entity

personnel, performing analytical and the specifically required supplementary procedures as well as evaluating the evidence obtained.

The procedures performed in an extended review are less in scope than in an audit, and accordingly we do not express an audit opinion on the financial statements.

Statement on the management commentary

Management is responsible for the management commentary.

Our conclusion 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 extended review 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 extended review 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 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, 28.06.2024

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Tim Kjær-Hansen

State Authorised Public Accountant
Identification No (MNE) mne23295

Management commentary

Primary activities

The company's main activities are owning properties for rental purpose.

Development in activities and finances

The income statement of the company for 2023 shows a profit of DKK 4,632 thousand and at 31 December 2023 the balance sheet of the company shows equity of DKK 8,403 thousand.

Assets is located in triangle area on long leases. In a slow transaction market 2023 remain core logistic area still attractive which is also is reflected in unchanged yield compared to previous financial year.

Reference to sensitive analyse in note

Annual result is according to expectations.

Uncertainty relating to recognition and measurement

Investment properties are measured at fair value. The fair value is calculated using the traditional investment capitalisation method with an individually determined required rate of return depending on the property's location and condition. The valuation is inherently uncertain in nature.

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	2021/22 DKK
Gross profit/loss		2,966,783	3,881,217
Fair value adjustments of investment property		6,460,000	(5,952,528)
Operating profit/loss		9,426,783	(2,071,311)
Financial expenses from group enterprises		(658,544)	(3,208,022)
Other financial expenses	1	(2,829,668)	(228,773)
Profit/loss before tax		5,938,571	(5,508,106)
Tax on profit/loss for the year	2	(1,306,242)	1,209,190
Profit/loss for the year		4,632,329	(4,298,916)
Proposed distribution of profit and loss			
Retained earnings		4,632,329	(4,298,916)
Proposed distribution of profit and loss		4,632,329	(4,298,916)

Balance sheet at 31.12.2023

Assets

	Notes	2023 DKK	2021/22 DKK
Investment property		61,840,000	55,380,000
Property, plant and equipment	3	61,840,000	55,380,000
Fixed assets		61,840,000	55,380,000
Other receivables		81,654	216
Joint taxation contribution receivable		53,549	0
Prepayments		544,102	1,549,447
Receivables		679,305	1,549,663
Cash		270,699	4,273,485
Current assets		950,004	5,823,148
Assets		62,790,004	61,203,148

Equity and liabilities

	Notes	2023 DKK	2021/22 DKK
Contributed capital		510,000	510,000
Reserve for fair value adjustments of hedging instruments		(300,790)	101,182
Retained earnings		8,193,923	3,561,594
Equity		8,403,133	4,172,776
Deferred tax		7,444,386	6,199,380
Provisions		7,444,386	6,199,380
Bank loans		32,803,783	32,396,904
Payables to group enterprises		13,056,784	13,619,561
Non-current liabilities other than provisions	4	45,860,567	46,016,465
Payables to group enterprises		95,591	3,698,771
Joint taxation contribution payable		0	40,791
Other payables		986,327	1,074,965
Current liabilities other than provisions		1,081,918	4,814,527
Liabilities other than provisions		46,942,485	50,830,992
Equity and liabilities		62,790,004	61,203,148
Employees	5		
Financial instruments	6		
Assets charged and collateral	7		

Statement of changes in equity for 2023

	Contributed capital DKK	Reserve for fair value adjustments of hedging instruments DKK	Retained earnings DKK	Total DKK
Equity beginning of year	510,000	101,182	3,561,594	4,172,776
Fair value adjustments of hedging instruments	0	(515,349)	0	(515,349)
Tax of entries on equity	0	113,377	0	113,377
Profit/loss for the year	0	0	4,632,329	4,632,329
Equity end of year	510,000	(300,790)	8,193,923	8,403,133

Notes

1 Other financial expenses

	2023	2021/22
	DKK	DKK
Other interest expenses	1,864,849	147,748
Exchange rate adjustments	2,815	2,741
Interest regarding tax paid on account	0	1,719
Other financial expenses	962,004	76,565
	2,829,668	228,773

2 Tax on profit/loss for the year

	2023	2021/22
	DKK	DKK
Current tax	0	(228,132)
Change in deferred tax	1,358,383	(981,058)
Refund in joint taxation arrangement	(52,141)	0
	1,306,242	(1,209,190)

3 Property, plant and equipment

	Investment property DKK
Cost beginning of year	46,652,395
Cost end of year	46,652,395
Fair value adjustments beginning of year	8,727,605
Fair value adjustments for the year	6,460,000
Fair value adjustments end of year	15,187,605
Carrying amount end of year	61,840,000

Assumptions when calculating the fair value of the investment properties

The investment properties are measured at fair value. The fair value is calculated using the traditional investment capitalisation method. An independent valuation expert has been engaged to value the properties.

The investment properties consist of warehouses and office buildings located in the Triangle and Aarhus area.

The total fair value of DKK thousand has been calculated by the following assumptions.

- Average equivalent yield is 6,1% (2022: 6,1%)
- Average capital rate per sq m of 7,227 DKK (2022: 6,472)
- The expected idle rent/structural vacancy is a percentage of income are 0% (2022: 0%)

Sensitivity when calculating the fair value of the investment properties

At 31 December 2023, the market value has been assessed using an individually fixed rate of return between 6,0% and 6,5%. The average rate of return can be calculated at 6,1%.

Changes in the estimate of the rate of return on the investment properties will affect the value of the investment properties recognised in the balance sheet and the value adjustment recognised in the income statement.

Changes in the average rate of return:	-0,5%	Basis	0,5%
Rate of return	5,6%	6,1%	6,6%
Fair value	67,407,473	61,840,000	57,122,045
Change in fair value	5,567,473	0	(4,717,955)

4 Non-current liabilities other than provisions

	Due after more than 12 months 2023 DKK
Bank loans	32,803,783
Payables to group enterprises	13,056,784
	45,860,567

5 Employees

The Entity has no employees other than the Executive Board. The Executive Officer has not received any remuneration.

6 Financial instruments

Interest rate cap have been entered into to hedge future interest payments on a floating-rate loan. The cap have a term to expiry November 2025. Under the contracts, an interest rate of Cibor 3 months is exchanged for cap rate of 2,25% on a loan with a principal amount of 34,380,439 DKK. The maturity of the loan is 4 years. The fair value adjustment of cap rate at the balance sheet date amounts to 385,628 DKK, which has been recognised in other receivables/other payables.

7 Assets charged and collateral

Assets charged and collateral - Bank Loans is secured by way of mortgage on properties.

Bank loans are secured by way of a deposited mortgage deed registered to the mortgagor on plant of DKK 46,088,483 nominal.

The carrying amount of mortgaged properties is DKK 61,840,000 DKK

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.

The accounting policies applied to these financial statements are consistent with those applied 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue and external expenses.

Revenue

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.

Other external expenses

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

Property costs

Property costs include costs incurred to operate the Entity's properties in the financial year, including repair

and maintenance costs, property tax and electricity, water and heating, which are not charged directly from the lessee.

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 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.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

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 applying the yield-based model as the calculated value in use of expected cash flows from each property. The calculation is based on budgeted net earnings for the next year that has been adjusted to normal earnings, and using a required yield rate that reflects current market yield rates for similar properties. The value is adjusted for factors not reflected in normal earnings, for example, actual vacancy rate, major refurbishments etc.

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.

Joint taxation contributions receivable or payable

Current joint taxation contributions payable or joint taxation contributions receivable are recognised in the balance sheet, calculated as tax computed on the taxable income for the year, which has been adjusted for prepaid tax. For tax losses, joint taxation contributions receivable are only recognised if such losses are expected to be used under the joint taxation arrangement.

Prepayments

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

Cash

Cash comprises cash in hand and bank deposits.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

However, no deferred tax is recognised for amortisation of goodwill disallowed for tax purposes and temporary differences arising at the date of acquisition that do not result from a business combination and that do not have any effect on profit or loss or on taxable income.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Deferred tax relating to retaxation of previously deducted losses in foreign subsidiaries is recognised on the basis of an actual assessment of the purpose of each subsidiary.

Other financial liabilities

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