

Dionysos PropCo ApS

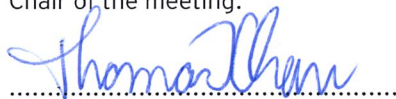
Kalvebod Brygge 39, 4, 1560 København V

CVR no. 34 21 38 28

Annual report 2023

Approved at the Company's annual general meeting on 11 April 2024

Chair of the meeting:



Thomas Khan

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Dionysos PropCo 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 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.


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.


Copenhagen, 11 April 2024
Executive Board:



Henrik Skriver



Zahreddine Bouslama



Pavlos Nearchou

Independent auditor's report

To the shareholder of Dionysos PropCo ApS

Opinion

We have audited the financial statements of Dionysos PropCo ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the 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.

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 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 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.

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 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 Company's internal control.

Independent auditor's report

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 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 note 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.

Statement on the Management's review

Management is responsible for the Management's review.

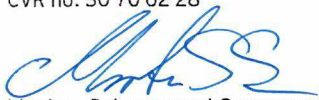
Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

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 Statement Act. We did not identify any material misstatement of the Management's review.

Odense, 11 April 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28



Morten Schougaard Sørensen
State Authorised Public Accountant
mne32129

Management's review

Company details

Name	Dionysos PropCo ApS
Address, Postal code, City	Kalvebod Brygge 39, 4, 1560 København V
CVR no.	34 21 38 28
Established	10 January 2012
Registered office	København
Financial year	1 January - 31 December
Executive Board	Henrik Skriver Zahreddine Bouzlama Pavlos Nearchou
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3, 5230 Odense M, Denmark

Management's review

Business review

The company's purpose is construction of student accommodation in Copenhagen.

Financial review

The income statement for 2023 shows a loss of DKK 3,873,205 against a profit of DKK 53,374,625 last year, and the balance sheet at 31 December 2023 shows equity of DKK 206,485,207.

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

Events after the balance sheet date

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

Financial statements 1 January - 31 December

Income statement

Note	DKK	<u>2023</u>	<u>2022</u>
	Gross profit/loss	-3,882,225	5,772,083
	Fair value adjustment of investment property	7,721,293	62,613,607
	Profit before net financials	<u>3,839,068</u>	<u>68,385,690</u>
	Financial income	10,408	2,236,924
3	Financial expenses	-8,782,638	-2,274,643
	Profit/loss before tax	<u>-4,933,162</u>	<u>68,347,971</u>
4	Tax for the year	1,059,957	-14,973,346
	Profit/loss for the year	<u><u>-3,873,205</u></u>	<u><u>53,374,625</u></u>
	 Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	<u>-3,873,205</u>	<u>53,374,625</u>
		<u><u>-3,873,205</u></u>	<u><u>53,374,625</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	ASSETS		
	Fixed assets		
5	Property, plant and equipment		
	Investment property	554,000,000	368,999,999
		<u>554,000,000</u>	<u>368,999,999</u>
	Total fixed assets	<u>554,000,000</u>	<u>368,999,999</u>
	Non-fixed assets		
	Receivables		
6	Derivative financial instruments	1,066,692	2,244,717
	Other receivables	777,247	486,536
		<u>1,843,939</u>	<u>2,731,253</u>
	Cash	<u>14,659,649</u>	<u>15,773,479</u>
	Total non-fixed assets	<u>16,503,588</u>	<u>18,504,732</u>
	TOTAL ASSETS	<u><u>570,503,588</u></u>	<u><u>387,504,731</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	2,090,000	2,090,000
	Retained earnings	<u>204,395,207</u>	<u>208,268,412</u>
	Total equity	<u>206,485,207</u>	<u>210,358,412</u>
	Provisions		
	Deferred tax	<u>54,226,076</u>	<u>55,308,428</u>
	Total provisions	<u>54,226,076</u>	<u>55,308,428</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Bank debt	227,910,379	43,273,819
	Trade payables	49,999	64,998
	Payables to group enterprises	81,831,927	77,750,049
	Corporation tax payable	<u>0</u>	<u>749,025</u>
		<u>309,792,305</u>	<u>121,837,891</u>
	Total liabilities other than provisions	<u>309,792,305</u>	<u>121,837,891</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>570,503,588</u></u>	<u><u>387,504,731</u></u>

- 1 Accounting policies
- 2 Staff costs
- 7 Contractual obligations and contingencies, etc.
- 8 Security and collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2022	2,080,000	125,503,787	127,583,787
Capital increase	10,000	29,390,000	29,400,000
Transfer through appropriation of profit	0	53,374,625	53,374,625
Equity at 1 January 2023	2,090,000	208,268,412	210,358,412
Transfer through appropriation of loss	0	-3,873,205	-3,873,205
Equity at 31 December 2023	2,090,000	204,395,207	206,485,207

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Dionysos PropCo ApS for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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).

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 recognised in the income statement on an ongoing basis.

Income statement

Gross profit/loss

The items revenue, other operating income and external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution and administration.

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 as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/loss-making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 measured using a discounted cash flow model on the expected future cash flows for the investment property and marketbased WACC.

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.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the realisable value of any collateral received.

Cash

Cash comprise cash.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Payables to credit institutions

Mortgage debt is recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, mortgage debt is measured at amortised cost, using the effective interest rate method. Borrowing costs, including capital losses, are recognised as financing costs in the income statement over the term of the loan.

Other payables

Other payables are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

The Company has no employees.

DKK	2023	2022
3 Financial expenses		
Interest expenses, group entities	4,081,878	1,150,049
Other financial expenses	4,700,760	1,124,594
	8,782,638	2,274,643
4 Tax for the year		
Estimated tax charge for the year	0	749,025
Deferred tax adjustments in the year	-1,082,352	14,287,528
Tax adjustments, prior years	22,395	-63,207
	-1,059,957	14,973,346

5 Property, plant and equipment

DKK	Investment property
Cost at 1 January 2023	145,436,986
Additions	177,278,708
Cost at 31 December 2023	322,715,694
Revaluations at 1 January 2023	223,563,013
Value adjustments for the year	7,721,293
Revaluations at 31 December 2023	231,284,306
Carrying amount at 31 December 2023	554,000,000

Note 8 provides more details on security for loans, etc. as regards property, plant and equipment.

The company holds a residential property under construction in the central part of Copenhagen. The construction is expected to be completed in Q3 2024.

The property is valued based on a DCF-model and the valuation is prepared and signed off by an external valuar. The valuation is based on expected rent for the residential part of DKK 2,904 per sqm. (90 % of total sqm.) and for the commercial part of DKK 2,055 per sqm. (10 % of total sqm.). The expected operating cost for the residential part is DKK 455 per sqm. and for the commercial part DKK 422 per sqm.

WACC is 6.29 %. The WACC is based on a residential yield of 4.25 % added inflation of 2.00 % and the commercial yield of 5.00 % added inflation of 2.00 %.

The value is reduced with expected remaining construction cost and an amount for interest and risk.

The value is sensitive to changes in the assumptions. If WACC is increased by 0.25 % the value is reduced with DKK 35,969 thousand and if WACC decreased by 0.25 % the value increases with DKK 39,532 thousand.

The value is based on level 3 in the fair value hierarchy.

Financial statements 1 January - 31 December

Notes to the financial statements

6 Derivative financial instruments

The Group uses interest swaps to hedge future interest payments. The instrument is not accounted for as hedge accounting.

At 31 December 2023 fair value of the hedge is positive DKK 1,067 thousand. The value is calculated based on the current interest and the agreed fixed interest rate (2.63 %) in the interest swap agreement.

The interest rate swap hedges future interest payments on the debt related to construction that is expected to increase up to app. DKK 287.7 million over the next 9 months. The swap ceases after 9 months.

The fair value totals DKK 1,067 thousand 31 December 2023 and the unrealized loss included in the profit/loss statement for 2023 is DKK -1,170 thousand. Level for calculating fair value of the swap is level 2 in the fair value hierarchy.

7 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent, Dionysos Property Holding ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes as well as withholding taxes on interest, royalties and dividends.

8 Security and collateral

As security for the Company's debt to banks and credit institutions, the Company has provided security or other collateral in its assets for at total amount of DKK 287,700 thousand. The total carrying amount of these assets is DKK 554,000 thousand.

Transport declarations have been made in respect of claims and payments in sales- and supplier agreements.

The company has a joint and several guarantee with Dionysos Property Holding ApS. The debt herein as of 31 December 2023 amounts to the DKK 287,700 thousand mentioned above.

Guarantee obligations of DKK 34,500 thousand have been provided.