
RetReal 1 Aarhus ApS

Southamptongade 4, DK-2150 Nordhavn

Annual Report for 2023

CVR No. 35 25 77 80

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 31/5 2024

Stine Seneberg
Chairman of the
general meeting



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Management's statement

The Executive Board has today considered and adopted the Financial Statements of RetReal 1 Aarhus 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 at 31 December 2023 of the Company and of the results of the Company operations for 2023.

We recommend that the Financial Statements be adopted at the Annual General Meeting.

Nordhavn, 31 May 2024

Executive Board

Mohamad Awad

Toke Sundenæs Clausen

Thomas Ebbe Riise-Jakobsen

Stine Seneberg

Independent Auditor's report

To the shareholder of RetReal 1 Aarhus 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 RetReal 1 Aarhus 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 ("the 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.

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.

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 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, 31 May 2024

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab

CVR No 33 77 12 31

Thomas Wraae Holm
State Authorised Public Accountant
mne30141

Qasam Hussain
State Authorised Public Accountant
mne44159

Company information

The Company

RetReal 1 Aarhus ApS
Southamptongade 4
2150 Nordhavn

CVR No: 35 25 77 80

Financial period: 1 January - 31 December

Municipality of reg. office: Nordhavn

Executive Board

Mohamad Awad
Toke Sundenæs Clausen
Thomas Ebbe Riise-Jakobsen
Stine Seneberg

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit before value adjustments		17,093,006	16,959,224
Value adjustments of assets held for investment		28,859,394	21,002,782
Gross profit after value adjustments		45,952,400	37,962,006
Financial income	3	2,667,417	2,531,458
Financial expenses	4	-6,558,323	-2,341,619
Profit/loss before tax		42,061,494	38,151,845
Tax on profit/loss for the year	5	-9,166,765	-8,393,392
Net profit/loss for the year		32,894,729	29,758,453
 Distribution of profit			
		2023	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		32,894,729	29,758,453
		32,894,729	29,758,453

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Investment properties		337,000,000	307,000,000
Property, plant and equipment	6	337,000,000	307,000,000
Receivables from group enterprises		65,777,906	57,529,665
Fixed asset investments		65,777,906	57,529,665
Fixed assets		402,777,906	364,529,665
Trade receivables		4,966,789	11,742
Other receivables		5,757	6,218,702
Prepayments		64,074	1,819
Receivables		5,036,620	6,232,263
Cash at bank and in hand		686,417	2,236,941
Current assets		5,723,037	8,469,204
Assets		408,500,943	372,998,869

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		3,080,000	3,080,000
Retained earnings		202,033,102	169,138,373
Equity		205,113,102	172,218,373
Provision for deferred tax		40,610,912	34,099,129
Provisions		40,610,912	34,099,129
Subordinate loan capital		11,130,913	10,736,279
Mortgage loans		131,466,903	137,659,442
Other payables		3,764,929	3,789,903
Long-term debt	7	146,362,745	152,185,624
Mortgage loans	7	6,620,684	7,273,075
Trade payables		61,171	199,088
Payables to group enterprises		0	1,017,434
Payables to group enterprises relating to corporation tax		7,139,912	4,484,131
Other payables	7	2,592,417	1,338,903
Deferred income		0	183,112
Short-term debt		16,414,184	14,495,743
Debt		162,776,929	166,681,367
Liabilities and equity		408,500,943	372,998,869
Key activities	1		
Staff	2		
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Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	DKK	DKK	DKK
Equity at 1 January	3,080,000	169,138,373	172,218,373
Net profit/loss for the year	0	32,894,729	32,894,729
Equity at 31 December	<u>3,080,000</u>	<u>202,033,102</u>	<u>205,113,102</u>

Notes to the Financial Statements

1. Key activities

The Company's key activities is to own, rent and develop the property sited Veri Centeret.

2. Staff

Average number of employees

2023	2022
0	0

The company has no employees and the management does not receive remuneration

3. Financial income

Interest received from group enterprises

Other financial income

2023	2022
DKK	DKK
2,634,703	2,531,458
32,714	0
2,667,417	2,531,458

4. Financial expenses

Interest paid to group enterprises

Other financial expenses

2023	2022
DKK	DKK
497,856	263,061
6,060,467	2,078,558
6,558,323	2,341,619

5. Income tax expense

Current tax for the year

Deferred tax for the year

Adjustment of tax concerning previous years

Adjustment of deferred tax concerning previous years

2023	2022
DKK	DKK
2,651,484	2,295,744
6,512,183	6,097,646
-69,758	2
72,856	0
9,166,765	8,393,392

Notes to the Financial Statements

6. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	195,590,555
Additions for the year	1,140,606
Cost at 31 December	<u>196,731,161</u>
Value adjustments at 1 January	111,409,445
Revaluations for the year	28,859,394
Value adjustments at 31 December	<u>140,268,839</u>
Carrying amount at 31 December	<u>337,000,000</u>

Assumptions underlying the determination of fair value of investment properties

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods(DCF) based on management's expectations for future cash flows, return requirements etc. The fair value adjustment for the year has been recognised in the Income Statement.

The fair value of Retreal 1 Aarhus ApS has been calculated based on the following assumptions:

	2023
	DKK
Average WACC	6,35%
Average Inflation assumption	2%
Exit Yield	6,35%
Budget period in number of years	10
Average vacancy, budget period	1,05%

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

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material.

Notes to the Financial Statements

Sensitivity in determination of fair value of investment properties

An in the range of 6.25% - 6.45% has been applied in the market value assessment at 31 December. The Changes in estimated required rate of return for investment properties will affect the value of investment properties recognised in the balance sheet as well as value adjustments carried in the income statement.

Changes in	-0,1%	Base	0.1%
	DKK	DKK	DKK
Rate of return	6.25	6,35%	6.45
Fair value	342,392,000	337,000,000	331,775,194
Change in fair value	5,392,000	0	-5,224,806

The fair value of investment properties at 31 December 2023 has been assessed by an independent assessor. The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material.

2023	2022
DKK	DKK

7. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

Subordinate loan capital

After 5 years	0	10,736,279
Between 1 and 5 years	11,130,913	0
Long-term part	11,130,913	10,736,279
Within 1 year	0	0
	11,130,913	10,736,279

Mortgage loans

After 5 years	102,051,139	106,711,206
Between 1 and 5 years	29,415,764	30,948,236
Long-term part	131,466,903	137,659,442
Within 1 year	6,620,684	7,273,075
	138,087,587	144,932,517

Notes to the Financial Statements

	<u>2023</u>	<u>2022</u>
	DKK	DKK
7. Long-term debt		
Other payables		
After 5 years	0	0
Between 1 and 5 years	3,764,929	3,789,903
Long-term part	<u>3,764,929</u>	<u>3,789,903</u>
Other short-term payables	2,592,417	1,338,903
	<u>6,357,346</u>	<u>5,128,806</u>

	<u>2023</u>	<u>2022</u>
	DKK	DKK
8. Contingent assets, liabilities and other financial obligations		
Charges and security		
The following assets have been placed as security with mortgage credit institutes:		
Land and buildings with a carrying amount of	337,000,000	307,000,000
The following assets have been placed as security with		
Guarantee obligations		
The Company has provided an absolute guarantee related engagement with mortgage for four affiliated companies for a maximum of	996,330,541	801,718,972

The Danish group companies are jointly and severally liable for tax on the Group's jointly taxed income as well as for Danish withholding taxes through dividend tax and tax on unearned income.

9. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The Company is included in the Group Annual Report of the Parent Company of the largest and smallest group:

<u>Name</u>	<u>Place of registered office</u>
R3 S.á.r.l.	Luxembourg

Notes to the Financial Statements

10. Accounting policies

The Annual Report of RetReal 1 Aarhus ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B as well as selected rules applying to reporting class C.

The accounting policies applied remain unchanged from last year.

The Financial Statements for 2023 are presented in DKK.

Recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset 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 out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Translation policies

Danske kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the rates at the time when the receivable or the debt arose are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other external expenses

Other external expenses comprise expenses for premises, sales as well as office expenses, etc.

Notes to the Financial Statements

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, other operating income and other external expenses.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the main activities of the Company.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with . The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Investment properties

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed assets comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and suppliers up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of properties are recognised in cost over the construction period.

After the initial recognition investment properties are measured at cost net of depreciation and impairment losses.

Other fixed asset investments

Fixed asset investments consist of long term receivables.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Notes to the Financial Statements

Deferred tax assets and liabilities

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal tax entity.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Any changes in deferred tax due to changes to tax rates are recognised in the income statement or in equity if the deferred tax relates to items recognised in equity.

Current tax receivables and liabilities

Current tax liabilities and receivables are recognised in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account. Extra payments and repayment under the on-account taxation scheme are recognised in the income statement in financial income and expenses.

Financial liabilities

Loans, such as mortgage loans, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.