PAN EU Købmagergade 39 ApS

c/o Capital Investment A/S, Gothersgade 49, 1., DK-1123
København K

Annual Report for 2023

CVR No. 35 82 51 42

The Annual Report was
presented and adopted
at the Annual General
Meeting of the
company
on 27/6 2024

Filip Sevcík
Chairman of the
general meeting

Contents

Management's statement

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 Annual Report be adopted at the Annual General Meeting.

Copenhagen, 27 June 2024

Executive Board

Jana Eybergerová	Filip Sevcik	Maya Bessaker

Independent Auditor's report

To the shareholder of PAN EU Købmagergade 39 ApS

Opinion

We have audited the Financial Statements of PAN EU Købmagergade 39 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 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 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.

Emphasis of matter regarding matters in the financial statements

We draw attention to note 1 to the financial statements setting out that there is a material uncertainty as to the valuation of the Company's property. Our opinion is not modified in respect of this matter.

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.

- 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.

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

København, 27 June 2024

KPMG
Statsautoriseret Revisionspartnerselskab
CVR No 25 57 81 98

Henrik Y. Jensen
State Authorised Public Accountant
mne35442

Company information

The Company	PAN EU Købmagergade 39 ApS c/o Capital Investment A/S Gothersgade 49, 1. 1123 København K CVR No: 35 82 51 42 Financial period: 1 January - 31 December Municipality of reg. office: Copenhagen K
Executive Board	Jana Eybergerová Filip Sevcik Maya Bessaker
Auditors	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 DK-2100 København Ø

Management's review

Key activities

The main focus of the company is investment in real estate and other related investments.

Development in the year

The income statement of the Company for 2023 shows a loss of DKK 38,555,122, of which value adjustments amount to DKK -45,754,404, and at 31 December 2023 the balance sheet of the Company shows equity of DKK 36,726,995.

Uncertainty relating to recognition and measurement

The Company's investment property is measured at fair value using the discounted cash flow (DCF) method. The property fair value is estimated using explicit assumptions about the risks and yields that is subject to material accounting estimates where fair value could deviate from the actual value of the investment property.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	TDKK
Gross profit/loss before value adjustments		**359,024**	**-601**
Value adjustments of assets held for investment		-45,754,404	-21,400
Gross profit/loss after value adjustments		**-45,395,380**	**-22,001**
Financial income		29,341	0
Financial expenses	3	-4,056,006	-4,164
Profit/loss before tax		**-49,422,045**	**-26,165**
Tax on profit/loss for the year	4	10,866,923	5,756
Net profit/loss for the year		**-38,555,122**	**-20,409**

Distribution of profit

	2023	2022
	DKK	TDKK
Proposed distribution of profit		
Retained earnings	-38,555,122	-20,409
	-38,555,122	**-20,409**

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	TDKK
Investment properties		168,000,000	213,000
Property, plant and equipment	5	**168,000,000**	**213,000**
Fixed assets		**168,000,000**	**213,000**
Trade receivables		69,745	146
Other receivables		77,082	0
Corporation tax		12,000	0
Prepayments		101,696	110
Receivables		**260,523**	**256**
Cash at bank and in hand		**5,404,713**	**9,541**
Current assets		**5,665,236**	**9,797**
Assets		**173,665,236**	**222,797**

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	TDKK
Share capital	6	50,000	50
Retained earnings		36,676,995	75,232
Equity		**36,726,995**	**75,282**
Provision for deferred tax	7	11,310,552	22,177
Provisions		**11,310,552**	**22,177**
Payables to group enterprises		122,898,067	122,898
Deposits		711,485	441
Long-term debt	8	**123,609,552**	**123,339**
Prepayments received from customers		25,095	44
Trade payables		970,800	607
Payables to group enterprises	8	1,022,242	323
Other payables		0	1,025
Short-term debt		**2,018,137**	**1,999**
Debt		**125,627,689**	**125,338**
Liabilities and equity		**173,665,236**	**222,797**
Uncertainty relating to recognition and measurement	1		
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Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January	50,000	75,232,117	75,282,117
Net profit/loss for the year	0	-38,555,122	-38,555,122
Equity at 31 December	**50,000**	**36,676,995**	**36,726,995**

Notes to the Financial Statements

1. Uncertainty relating to recognition and measurement

The Company's investment property is measured at fair value using DCF model. The yield requirement is associated with significant accounting estimates, which means that the fair value may differ from the properties' actual value. We refer to note 4 for more information.

2. Staff

	2023	2022
Average number of employees	0	0

3. Financial expenses

	2023	2022
	DKK	TDKK
Interest paid to group enterprises	4,055,636	4,056
Other financial expenses	370	108
	4,056,006	**4,164**

4. Income tax expense

	2023	2022
	DKK	TDKK
Deferred tax for the year	-10,866,923	-5,756
	-10,866,923	**-5,756**

Notes to the Financial Statements

5. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	113,185,757
Additions for the year	754,404
Cost at 31 December	113,940,161
Value adjustments at 1 January	99,814,243
Revaluations for the year	-45,754,404
Value adjustments at 31 December	54,059,839
Carrying amount at 31 December	**168,000,000**

Assumptions underlying the determination of fair value of investment properties

The management's estimate of the value of the investment properties is determined by market conforming standards and is based on an assessment of the current returns, maintenance conditions, and of the required investment property returns.

The fair value of investment properties in the annual report is estimated by the Company's management. The fair value is calculated as capitalised earnings value of properties determined from the expected future rent, the current tenants' abilities to fulfil their contractual obligations, periods of vacancy, operating costs, maintenance needs, expected CAPEX investments and estimates of the return requirements. Based on this, a DCF method, that the management considers most suitable for the valuation, has been applied.

The return requirement estimates are based on information about the general regional development in return requirements and other relevant local conditions.

Key assumptions:
The property totalling 1,605 sqm. is located in a high street area in Copenhagen and is mainly used for rental. The fair value of investment properties is estimated based on the future cash-flows generated by the property discounted by the capitalization rate.

An individually determined discounted interest rate of 6.17% consisting of a required rate of return of 4.17% and an inflation rate of 2,0% has been applied when valuating the property. According to the external report at 31 December 2023, the valuation amounts to DKK 168,0 million. Changes in estimated required rate of return for investment properties will affect the value of investment properties recognized in the balance sheet as well as value adjustments carried in the income statement.

Sensitivity analysis
An increase of discounted interest rate by 0.25 percentage points would reduce the property value by DKK 9.6 million, and a decrease in discounted interest rate by 0.25 percentage points would increase the property value by DKK 10.6 million at the balance sheet date.

Notes to the Financial Statements

6. Share capital

The share capital consists of 100 shares of a nominal value of DKK 500. No shares carry any special rights.

There have been no changes in the share capital during the last 6 years.

7. Provision for deferred tax

Deferred tax comprise primarily of tax regarding fair value adjustment. Included in deferred tax is value at taxable losses carried forward at DKK 13.6 mil.

8. 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:

	2023 DKK	2022 TDKK
Payables to group enterprises		
After 5 years	0	122,898
Between 1 and 5 years	122,898,067	0
Long-term part	122,898,067	122,898
Other short-term debt to group enterprises	1,022,242	323
	123,920,309	**123,221**
Deposits		
After 5 years	0	0
Between 1 and 5 years	711,485	441
Long-term part	711,485	441
Within 1 year	0	0
	711,485	**441**

The loans to Group Companies are free of installments and are due 2025.

Notes to the Financial Statements

9. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The company was jointly taxed together with the Danish group companies until the shares were purchased by Generali Europe Income Holding S.A at 2 July 2018.

The company is jointly and severally liable for tax on the jointly taxed incomes etc. of the Group. Moreover, the Danish group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

10. Related parties and disclosure of consolidated financial statements

Consolidated Financial Statements

The company is included in the consolidated report for the parent company

Name	Place of registered office
Generali Europe Income Holding S.A	Luxembourg

The Group Annual Report of Generali Europe Income Holding S.A may be obtained at the following address:

4, rue Jean Monnet
L-2180 Luxembourg
Luxembourg

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

Notes to the Financial Statements

11. Accounting policies

The Annual Report of PAN EU Købmagergade 39 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

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates 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, 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.

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

Income statement

Rental income

Rental revenue is recognised as income on a straight line basis over the lease period. When the Company provides incentives to its tenants, the cost of incentives is recognised over the lease period on a straight line basis.

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

Expenses concerning investment properties

Expenses concerning investment properties primarily include operation expenses for the year.

Other external expenses

Other external costs comprise costs of administrative expenses, etc.

Notes to the Financial Statements

Gross profit/loss

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

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 comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

The Company was jointly taxed with Danish group companies until the shares were purchased by Generali Europe Income Holding S.A at 2 July 2018. 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 comprises properties that are held to earn rental income, capital appreciation or both.

Initially, investment properties are measured at cost including purchasing price and directly related costs. The carrying amount also include costs for improvements if the recognition criteria is met. Subsequent to initial recognition, investment properties are stated at fair value. Gains and losses arising from changes in the fair values are included in the income statement in the year which they arise.

Discounted Cash Flow model

The fair value of completed investment properties are determined using a discounted cash flow (DCF). Under the DCF-method, a properties fair value is estimated using explicit assumptions about the risks and yields over the asset's life, including an exit or terminal value. This involves the projection of a series of cash flows and to do this, an appropriate, market-derived discount rate is applied to establish the present value of the income stream. The valuations was performed by an accredited and independent valuer.

Investment properties are not depreciated.

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposals. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

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 and capitalised rental discounts.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast 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.

Notes to the Financial Statements

Prepayments

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

Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

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 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.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; 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. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with 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. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Liabilities other than provisions

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

Liabilities relating to investment properties are measured at amortised cost.

Other liabilities are measured at amortised cost which usually corresponds to the nominal value