

HPK Denmark F1 PropCo ApS
C/O Intertrust (Denmark) ApS
Sundkrogsgade 21, DK-2100 Copenhagen
CVR no. 36 41 78 97

Annual report for 2023

Adopted at the annual general meeting on 16 May 2024


DocuSigned by:

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Pilvi Peltomäki
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of HPK Denmark F1 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 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, 16 May 2024

Executive board

DocuSigned by:

Olivia Gehlen

DocuSigned by:

Daniel Spiekermann

DocuSigned by:

Morten Wördenskjold Hansen

Independent Auditor's Report

To the shareholder of HPK Denmark F1 PropCo 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 HPK Denmark F1 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 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 judgment and maintain professional skepticism 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, 16 May 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

DocuSigned by:



Maj-Britt Nørskov Nannestad
State Authorised Public Accountant
MNE no. mne32198

DocuSigned by:



Christopher Kowalczyk
State Authorised Public Accountant
MNE no. mne47863

Company details

The company

HPK Denmark F1 PropCo ApS
Sundkrogsgade 21
C/O Intertrust (Denmark) ApS
DK-2100 Copenhagen

CVR no.: 36 41 78 97

Reporting period: 1 January - 31 December 2023

Domicile: Copenhagen

Executive board

Olivia Gehlen
Daniel Spiekermann
Morten Wordenskjold Hansen

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Management's review

Business review

The company's principal activity is to run a business with real estate and other business that is connected to this.

Recognition and measurement uncertainties

As the company's purpose is to invest in companies which own properties, the company's business processes and the valuation of investment property in the company's subsidiaries is affected by changes in the property market, including the general level of interest rates and economic conditions.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 23.771.091, and the balance sheet at 31 December 2023 shows equity of DKK 29.312.780.

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

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		12.166.960	11.412.918
Fair value adjustments of investment properties		-35.300.000	-16.271.697
Profit/loss before net financials		-23.133.040	-4.858.779
Financial expenses	2	-7.342.722	-6.394.056
Profit/loss before tax		-30.475.762	-11.252.835
Tax on profit/loss for the year	3	6.704.671	2.475.504
Profit/loss for the year		<u>-23.771.091</u>	<u>-8.777.331</u>
Distribution of profit			
Proposed dividend for the year		0	5.000.000
Proposed dividend for the year		5.300.000	0
Extraordinary dividend for the year		0	55.000.000
Retained earnings		-29.071.091	-68.777.331
		<u>-23.771.091</u>	<u>-8.777.331</u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Investment properties	4	<u>259.200.000</u>	<u>294.500.000</u>
Tangible assets		<u>259.200.000</u>	<u>294.500.000</u>
Total non-current assets		<u>259.200.000</u>	<u>294.500.000</u>
Receivables from group entities		25.533	888.601
Other receivables		14.438	0
Prepayments		<u>517.079</u>	<u>269.648</u>
Receivables		<u>557.050</u>	<u>1.158.249</u>
Cash at bank and in hand		<u>12.837.559</u>	<u>9.838.085</u>
Total current assets		<u>13.394.609</u>	<u>10.996.334</u>
Total assets		<u><u>272.594.609</u></u>	<u><u>305.496.334</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		50.003	50.003
Retained earnings		23.962.777	53.033.868
Proposed dividend for the year		<u>5.300.000</u>	<u>5.000.000</u>
Equity		<u>29.312.780</u>	<u>58.083.871</u>
Provision for deferred tax		<u>17.893.538</u>	<u>25.348.387</u>
Total provisions		<u>17.893.538</u>	<u>25.348.387</u>
Payables to group entities		218.687.254	215.000.000
Deposits		<u>3.520.763</u>	<u>3.346.719</u>
Total non-current liabilities	5	<u>222.208.017</u>	<u>218.346.719</u>
Trade payables		312.331	442.148
Joint taxation contributions payable		750.178	793.119
Other payables		1.165.007	2.482.090
Deferred income		<u>952.758</u>	<u>0</u>
Total current liabilities		<u>3.180.274</u>	<u>3.717.357</u>
Total liabilities		<u>225.388.291</u>	<u>222.064.076</u>
Total equity and liabilities		<u>272.594.609</u>	<u>305.496.334</u>
Staff Expenses	1		
Contingent liabilities	6		

Statement of changes in equity

	Share capital	Retained ear- nings	Proposed divi- dend for the year	Total
Equity at the beginning	50.003	53.033.868	5.000.000	58.083.871
Ordinary dividend paid	0	0	-5.000.000	-5.000.000
Net profit/loss for the year	0	-23.771.091	0	-23.771.091
Proposed dividend for the year	0	-5.300.000	5.300.000	0
Equity at the end	50.003	23.962.777	5.300.000	29.312.780

Notes

	<u>2023</u>	<u>2022</u>
1 Staff expenses		
Number of fulltime employees on average	<u>0</u>	<u>0</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
2 Financial expenses		
Financial expenses, group entities	7.314.389	6.258.849
Other financial costs	27.407	135.207
Exchange adjustments costs	<u>926</u>	<u>0</u>
	<u>7.342.722</u>	<u>6.394.056</u>
	<u>2023</u>	<u>2022</u>
	DKK	DKK
3 Tax on profit/loss for the year		
Current tax for the year	750.178	1.586.238
Deferred tax for the year	-7.454.849	-3.268.623
Joint taxation contribution	<u>0</u>	<u>-793.119</u>
	<u>-6.704.671</u>	<u>-2.475.504</u>

Notes

4 Investment properties

	Investment properties
Cost at the beginning	<u>187.457.817</u>
Cost at the end	<u>187.457.817</u>
Revaluations at the beginning	107.042.183
Revaluations for the year	<u>-35.300.000</u>
Revaluations at the end	<u>71.742.183</u>
Carrying amount at the end	<u><u>259.200.000</u></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's calculations) based on management's expectatins for future cash flow, return requirements etc.

The fair value of investment properties has been calculated based on the following assumptions:

Average price per square meter, office DKK 217,27

Average price per square meter, retail DKK 872,93

Administrative expenses total 2,85% of rentals

Maintenance costs total 1,36% of rentals

Rate of return 5,09%

The company's investment property comprises a commercial property of 2.948 sqm and consists of offices and retail.

Notes

4 Investment properties (continued)

Sensitivity in determination of fair value of investment properties

The fair value of investment properties has been assessed by an independent assessor firm 30 September 2023.

An individually determined required rate of return 5,09% has been applied in the marked value assessment at 31 December 2023.

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 adjustment carried in the income statement.

	-0,25 %	Base	0,25 %
	<u>DKK</u>	<u>DKK</u>	<u>DKK</u>
Change in average rate of return			
Rate of return	<u>4,84</u>	<u>5,09</u>	<u>5,34</u>
Fair value	<u>255.830.400</u>	<u>259.200.000</u>	<u>262.828.800</u>
Change in fair value	<u>-3.369.600</u>	<u>0</u>	<u>3.628.800</u>

5 Long term debt

	Debt at the beginning	Debt at the end	Instalment next year	Debt outstan- ding after 5 years
Payables to group entities	215.000.000	218.687.254	0	0
Deposits	<u>3.346.719</u>	<u>3.520.763</u>	<u>0</u>	<u>0</u>
	<u>218.346.719</u>	<u>222.208.017</u>	<u>0</u>	<u>0</u>

Notes

6 Contingent liabilities

The company is jointly taxed with other group companies and jointly and severally liable with the other jointly taxed entities for payment of income taxes as well as for payment of withholding taxes on dividends, interest and royalties.

Accounting policies

The annual report of HPK Denmark F1 PropCo 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 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.

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

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue and other external expenses.

Revenue

Revenue income comprises income from the lease of property etc., and it is recognised in the profit and loss account for the period relating to the lease payment.

Accounting policies

Other external expenses

Other external expenses include expenses related to operating costs, administration as well as fees to advisors and consultants.

Value adjustments of investment properties

Value adjustments of investment property include fair value adjustments of investment properties. Changes in the estimated fair value are entered in the income statement.

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.

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

Investment properties include properties held for the purpose of obtaining a return on invested capital as well as any capital gain on resale. Investment properties are recognised in the balance sheet when all significant benefits and risks have been transferred to the company.

Investment properties is on initial recognition measured at cost, which includes the purchase price plus directly related costs.

Accounting policies

Cost incurred that add new or improved properties to the investment properties in relation to the time of acquisition and which thereby improve the properties' future returns, including conversions, are also added to the cost price as an improvement.

Investment properties are subsequently measured at estimated fair value calculated on the basis of the property's net return and a return percentage based on an individual assessment of the individual type of property.

The fair value of investment properties has been assessed by an independent assessor firm 30 September 2023.

The changes in the estimated fair value are entered in the income statement under fair value adjustment of investment properties.

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.

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.

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

Liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Deferred income

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

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'.