
RetReal 1 Vallensbæk ApS

Southamptongade 4, DK-2150 Nordhavn

Annual Report for 2023

CVR No. 36 43 51 86

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 Annual Report of RetReal 1 Vallensbæk 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 Annual Report 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 Vallensbæk 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 Vallensbæk 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 Vallensbæk ApS Southamptongade 4 2150 Nordhavn CVR No: 36 43 51 86 Financial period: 1 January - 31 December Incorporated: 10 November 2014 Financial year: 10th financial year 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
Bankers	Nykredit Bank A/S Kalvebod Brygge 47 DK-1780 København V Danske Bank A/S Lersø Parkallé 100 DK-2100 København Ø

Income statement 1 January - 31 December

	Note	2023	2022
		DKK	DKK
Gross profit before value adjustments		10,701,797	8,108,188
Value adjustments of assets held for investment		-44,084,424	54,145,937
Gross profit after value adjustments		-33,382,627	62,254,125
Financial income	3	1,297,965	1,585,872
Financial expenses	4	-9,962,538	-3,896,435
Profit/loss before tax		-42,047,200	59,943,562
Tax on profit/loss for the year	5	9,091,066	-13,187,593
Net profit/loss for the year		-32,956,134	46,755,969
Distribution of profit			
		2023	2022
		DKK	DKK
Proposed distribution of profit			
Retained earnings		-32,956,134	46,755,969
		-32,956,134	46,755,969

Balance sheet 31 December

Assets

	Note	2023	2022
		DKK	DKK
Investment properties		407,000,000	436,746,349
Property, plant and equipment	6	407,000,000	436,746,349
Receivables from group enterprises		27,063,511	31,173,576
Fixed asset investments		27,063,511	31,173,576
Fixed assets		434,063,511	467,919,925
Trade receivables		341,909	0
Other receivables		2,452,306	0
Corporation tax receivable from group enterprises		1,325,225	0
Receivables		4,119,440	0
Cash at bank and in hand		48,873	2,479,949
Current assets		4,168,313	2,479,949
Assets		438,231,824	470,399,874

Balance sheet 31 December

Liabilities and equity

	Note	2023	2022
		DKK	DKK
Share capital		1,050,000	1,050,000
Retained earnings		114,724,550	147,680,684
Equity		115,774,550	148,730,684
Provision for deferred tax		22,079,264	29,592,074
Provisions		22,079,264	29,592,074
Subordinate loan capital		31,613,929	30,493,092
Mortgage loans		215,204,454	90,340,534
Credit institutions		0	122,631,316
Payables to group enterprises		38,486,022	30,030,685
Other payables		0	4,484,441
Long-term debt	7	285,304,405	277,980,068
Mortgage loans	7	4,946,519	5,117,895
Trade payables		420,313	7,627,907
Payables to group enterprises relating to corporation tax		0	253,031
Other payables	7	9,706,773	1,098,215
Short-term debt		15,073,605	14,097,048
Debt		300,378,010	292,077,116
Liabilities and equity		438,231,824	470,399,874
Key activities	1		
Staff	2		
Contingent assets, liabilities and other financial obligations	8		
Related parties	9		
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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	1,050,000	147,680,684	148,730,684
Net profit/loss for the year	0	-32,956,134	-32,956,134
Equity at 31 December	<u>1,050,000</u>	<u>114,724,550</u>	<u>115,774,550</u>

Notes to the Financial Statements

1. Key activities

The Company's key activities is to own, rent and develop the property sited Vallensbæk Stationstovr and Vallensbæk Syd.

2. Staff

Average number of employees

	<u>2023</u>	<u>2022</u>
	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

	<u>2023</u>	<u>2022</u>
	DKK	DKK
	1,271,044	1,585,872
	26,921	0
	<u>1,297,965</u>	<u>1,585,872</u>

4. Financial expenses

Interest paid to group enterprises

Other financial expenses

	<u>2023</u>	<u>2022</u>
	DKK	DKK
	2,804,060	2,656,402
	7,158,478	1,240,033
	<u>9,962,538</u>	<u>3,896,435</u>

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

	<u>2023</u>	<u>2022</u>
	DKK	DKK
	-716,950	253,031
	-8,374,161	12,934,508
	-861,306	54
	861,351	0
	<u>-9,091,066</u>	<u>13,187,593</u>

Notes to the Financial Statements

6. Assets measured at fair value

	Investment properties
	DKK
Cost at 1 January	328,735,959
Additions for the year	14,338,075
Cost at 31 December	<u>343,074,034</u>
Value adjustments at 1 January	108,010,390
Revaluations for the year	-44,084,424
Value adjustments at 31 December	<u>63,925,966</u>
Carrying amount at 31 December	<u>407,000,000</u>

Assumptions underlying the determination of fair value of investment properties

Investment properties consist of a single property divided into 2 projects; Shopping and Senior Living. The projects are measured at fair value. The fair value of the Shopping project amounts to DKK 210.000.000 at 31 December 2023, the fair value of the Senior Living project amounts to DKK 197.000.000 at 31 December 2023.

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

	2023
	DKK
The fair value of investment properties amounts to	407,000,000
Value adjustment, income statement	44,084,424
Average WACC	6,35% - 8,55%
Average Inflation assumption	2%
Exit Yield	4,50% - 6,70%
Budget period in number of years	10
Average vacancy, budget period	2,96%

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 7.65% - 7.85% 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	7.65	7,75	7.85
Fair value	412,320,261	407,000,000	401,815,287
Change in fair value	5,320,261	0	-5,184,713

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	30,493,092
Between 1 and 5 years	31,613,929	0
Long-term part	31,613,929	30,493,092
Within 1 year	0	0
	31,613,929	30,493,092

Mortgage loans

After 5 years	184,387,949	68,767,319
Between 1 and 5 years	30,816,505	21,573,215
Long-term part	215,204,454	90,340,534
Within 1 year	4,946,519	5,117,895
	220,150,973	95,458,429

Notes to the Financial Statements

	2023	2022
	DKK	DKK
7. Long-term debt		
Credit institutions		
After 5 years	0	0
Between 1 and 5 years	0	122,631,316
Long-term part	0	122,631,316
Within 1 year	0	0
	0	122,631,316
Payables to group enterprises		
After 5 years	38,486,022	30,030,685
Long-term part	38,486,022	30,030,685
Within 1 year	0	0
	38,486,022	30,030,685
Other payables		
After 5 years	0	4,484,441
Long-term part	0	4,484,441
Other short-term payables	9,706,773	1,098,215
	9,706,773	5,582,656
	2023	2022
	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:		
Investment properties with a carrying amount of	407,000,001	436,746,349
Guarantee obligations		
The Company has provided an absolute guarantee related engagement with mortgage for four affiliated companies for a maximum of	913,936,782	851,456,957

Notes to the Financial Statements

2023	2022
DKK	DKK

8. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

At the balance sheet date, a lawsuit is pending against the Company for an amount totalling kDKK 1,520. The case concerns an disagreement about the number of bicycle parking spaces

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. The total amount of tax payables is included in the Annual Report of the RetReal 1 Aarhus ApS that is the administration Company in relation to the joint taxation.

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 R3 S.á.r.l.

Name	Place of registered office
R3 S.á r.l.	Luxembourg

Notes to the Financial Statements

10. Accounting policies

The Annual Report of RetReal 1 Vallensbæk 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

Danish 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.

Income statement

Rental income

Revenue from rental income is recognised in the income statement at amounts relating to the financial year when revenue can be measured reliably and it is probable that the economic benefits 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 and 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 rental income 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 consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for 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 Danish group enterprises. The tax effect of the joint taxation is allocated to 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.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

Other fixed asset investments

Other fixed asset investments consist of receivables from group enterprises.

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 furnishing contribution.

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.

Notes to the Financial Statements

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.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, 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.

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