

DK Resi Propco Smallegade 34 ApS

**c/o Kereby ApS
La Cours Vej 7, 2. and 3. floor
2000 Frederiksberg**

CVR no. 36 90 63 91

Annual report for 2023

Adopted at the annual general
meeting on 30 April 2024

Theis Jacobsen
chairman

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Statement by management on the annual report

The Executive management has today discussed and approved the annual report of DK Resi Propco Smallegade 34 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 to the company in general meeting that the financial statements for 2024 are not to be audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Frederiksberg, 30 April 2024

Executive management

Fernando Bautista

Dorota Marta Roch

Lars Pærregaard

The company in general meeting has resolved that the financial statements for the coming financial year are not to be audited.

Independent auditor's report

To the shareholder of DK Resi Propco Smallegade 34 ApS

Opinion

We have audited the financial statements of DK Resi Propco Smallegade 34 ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under 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 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' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and 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 the 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.

Independent auditor's report

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.

Independent auditor's report

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, we conclude that 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 of management's review.

Copenhagen, 30 April 2024

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR no. 33 96 35 56

Lars Andersen
State Authorised Public Accountant
mne34506

Chris Middelhede
State Authorised Public Accountant
mne45823

Company details

The company

DK Resi Propco Smallegade 34 ApS
c/o Kereby ApS
La Cours Vej 7, 2. and 3. floor
2000 Frederiksberg

Telephone: +45 39 45 62 00

Website: www.kereby.dk

CVR no.: 36 90 63 91

Reporting period: 1 January - 31 December 2023

Domicile: Frederiksberg

Executive management

Fernando Bautista
Dorota Marta Roch
Lars Pærregaard

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 Copenhagen

Consolidated financial statements

The company is included in the consolidated financial statements of the parent company DK Resi Topco 2 K/S.

The group annual report of the parent company may be obtained at the following address:

La Cours Vej 7, 2. and 3. floor
2000 Frederiksberg

Management's review

Business review

The objects of the company are aquisition, sale and letting out of properties.

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK 2,533,922, and the balance sheet at 31 December 2023 shows equity of DKK 1,942,954.

Accounting policies

The annual report of DK Resi Propco Smallegade 34 ApS has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to class B entities and certain provisions applying to class C.

The accounting policies applied are consistent with those of last year.

The annual report 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.

Accounting policies

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, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Rental income has been accrued to cover the period up to the end of the financial year. Rental income is recognized excluding VAT and net of sales discounts. Payments charged to cover heating are not included in rental income.

Other external expenses

Other external expenses include expenses related to administration, premises, bad debts etc.

Depreciation

Depreciation comprise the year's depreciation expense on property, plant and equipment.

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, realised and unrealised capital/exchange gains and losses on 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

The company is subject to the Danish rules on compulsory joint taxation of the group's Danish subsidiaries. Subsidiaries participate in the joint taxation arrangement from the time when they are included in the consolidated financial statements and until the time when they withdraw from the consolidation.

The company is subject to the Danish rules on compulsory joint taxation.

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.

Accounting policies

Balance sheet

Tangible assets

Buildings are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life. Land is not depreciated.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components and sub-suppliers.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

	Useful life	Residual value
Buildings, installations and various extensions	5-50 years	0-25 %

Impairment of tangible assets

The carrying amount of tangible assets is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Where there is evidence of impairment, an impairment test is performed for each individual asset or group of assets. Write-down is made to the lower of the recoverable amount and the carrying amount.

The recoverable amount is the higher of the net present value and the value in use less expected costs to sell. The net present value is determined as the present value of the anticipated net cash flows from the use of the asset or group of assets and the anticipated net cash flows from the disposal of the asset or group of assets after the end of their useful life.

Receivables

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Accounting policies

Cash and cash equivalents

Cash comprise bank deposits.

Income tax and deferred tax

The company and all its Danish group entities are taxed on a joint basis. The current income tax charge is allocated between the jointly taxed entities relative to their taxable income. Tax losses are allocated based on the full absorption method. The jointly taxed entities are eligible for the Danish Tax Prepayment Scheme.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other 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.

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' or 'Other payables', respectively.

Fair value adjustments of derivative financial instruments designated as and qualifying for hedging of future cash flows are recognised in other receivables or other payables and in the fair value reserve under 'Equity'. If the future transaction results in recognition of assets or liabilities, amounts previously recognised in equity are transferred to the cost of the asset or the liability, respectively. If the future transaction results in income or expenses, amounts previously recognised in equity are transferred to the income statement in the period in which the hedged item affects the income statement.

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		262,023	624,202
Depreciation		<u>-486,734</u>	<u>-388,198</u>
Profit/loss before net financials		-224,711	236,004
Financial income	1	409,642	480,387
Financial costs	2	<u>-2,720,993</u>	<u>-1,450,277</u>
Profit/loss before tax		-2,536,062	-733,886
Tax on profit/loss for the year	3	<u>2,140</u>	<u>-6,385</u>
Profit/loss for the year		<u>-2,533,922</u>	<u>-740,271</u>
Retained earnings		<u>-2,533,922</u>	<u>-740,271</u>
		<u>-2,533,922</u>	<u>-740,271</u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Land and buildings	4	27,582,126	27,964,695
Property, plant and equipment in progress	4	942,052	0
Prepayments for tangible fixed assets	4	0	0
Tangible assets		<u>28,524,178</u>	<u>27,964,695</u>
Total non-current assets		<u>28,524,178</u>	<u>27,964,695</u>
Trade receivables		100	0
Receivables from group enterprises		11,475,343	16,954,097
Other receivables		36,348	0
Joint taxation contributions receivable		2,140	0
Prepayments		35,837	59,214
Receivables		<u>11,549,768</u>	<u>17,013,311</u>
Cash at bank and in hand		<u>4,816</u>	<u>1,421</u>
Total current assets		<u>11,554,584</u>	<u>17,014,732</u>
Total assets		<u><u>40,078,762</u></u>	<u><u>44,979,427</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Equity and liabilities			
Share capital		50,000	50,000
Reserve for current value of hedging		-403,745	0
Retained earnings		2,296,699	-3,465,871
Equity		<u>1,942,954</u>	<u>-3,415,871</u>
Other provisions		3,820	0
Total provisions		<u>3,820</u>	<u>0</u>
Mortgage loans		20,740,447	0
Payables to subsidiaries		11,377,555	0
Derivative financial instruments, liabilities		403,745	0
Total non-current liabilities	5	<u>32,521,747</u>	<u>0</u>
Short-term part of long-term debet	5	0	47,334,249
Prepayments received from customers		681,307	671,536
Trade payables		204,759	58,302
Payables to group enterprises		4,200,319	0
Joint taxation contributions payable		0	6,385
Other payables		324,052	324,826
Deferred income		199,804	0
Total current liabilities		<u>5,610,241</u>	<u>48,395,298</u>
Total liabilities		<u>38,131,988</u>	<u>48,395,298</u>
Total equity and liabilities		<u>40,078,762</u>	<u>44,979,427</u>
Contingent liabilities	6		
Mortgages and collateral	7		

Statement of changes in equity

	Share capital	Reserve for current value of hedging	Retained earnings	Total
Equity at 1 January 2023	50,000	0	-3,465,871	-3,415,871
Fair value adjustment of hedging instruments	0	-403,745	0	-403,745
Net profit/loss for the year	0	0	-2,533,922	-2,533,922
Contribution from group	0	0	8,296,492	8,296,492
Equity at 31 December 2023	50,000	-403,745	2,296,699	1,942,954

Notes

	<u>2023</u> DKK	<u>2022</u> DKK
1 Financial income		
Interest received from group enterprises	402,949	476,278
Other financial income	<u>6,693</u>	<u>4,109</u>
	<u>409,642</u>	<u>480,387</u>
2 Financial costs		
Financial expenses, group enterprises	285,966	0
Other financial costs	<u>2,435,027</u>	<u>1,450,277</u>
	<u>2,720,993</u>	<u>1,450,277</u>
3 Tax on profit/loss for the year		
Joint taxation contribution	<u>-2,140</u>	<u>6,385</u>
	<u>-2,140</u>	<u>6,385</u>

Notes

4 Tangible assets

	Land and buildings	Property, plant and equipment in progress	Total
Cost at 1 January 2023	30,356,323	0	30,356,323
Additions for the year	104,164	1,115,658	1,219,822
Disposals for the year	0	-173,606	-173,606
Cost at 31 December 2023	<u>30,460,487</u>	<u>942,052</u>	<u>31,402,539</u>
Impairment losses and depreciation at 1 January 2023	2,391,627	0	2,391,627
Depreciation for the year	486,734	0	486,734
Impairment losses and depreciation at 31 December 2023	<u>2,878,361</u>	<u>0</u>	<u>2,878,361</u>
Carrying amount at 31 December 2023	<u>27,582,126</u>	<u>942,052</u>	<u>28,524,178</u>

Notes

5 Long term debt

	Debt at 1 January 2023	Debt at 31 December 2023	Instalment next year	Debt outstanding after 5 years
Mortgage loans	0	20,740,447	0	0
Payables to subsidiaries	0	11,377,555	0	0
Derivative financial instruments, liabilities	0	403,745	0	0
	0	32,521,747	0	0

Derivative financial instruments consist of hedging agreements related to mortgage loans and long term payables to subsidiaries.

The hedging agreements are in place to hedge against interest rate risk by changing the interest from variable to fixed interest rates.

The fair value of the derivative relating to the mortgage loan hedges 100 % of the mortgage loan and expire at 1 July 2025.

The fair value of the derivative relating to the payables to group enterprises hedges 75 % of the payables to group enterprises and expire at 9 February 2027.

The fair value is calculated by Chatham Financial.

6 Contingent liabilities

The company is jointly taxed with its Danish group entities. The entities are jointly and severally liable for Danish VAT and income taxes as well as withholding taxes on dividends, interests and royalties payable by the group of jointly taxed and VAT registered entities.

Tax payable of the group's joint taxable income is stated in the annual report of DK Resi Holdco I ApS, which serves as management company for the joint taxation.

VAT payable of the group is stated in the annual report of Kereby ApS, which serves as management company for the joint VAT registration.

Notes

7 Mortgages and collateral

Land and buildings at a carrying amount as disclosed in the balance sheet at 31 December have been provided as security for the company's total mortgage debt.