

VKR Invest ApS

Breeltevej 18, 2970 Hørsholm

CVR no. 37 29 14 47

Annual report

for the year 1 January - 31 December 2023

Approved at the Company's annual general meeting on 21 March 2024

Chair of the meeting:

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Teodora Anda Grosu

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of VKR Invest 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 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.

We recommend that the annual report be approved at the annual general meeting.

Hørsholm, 19 February 2024
Executive Board:

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Mads Kann-Rasmussen

.....
Thomas Overvad

Independent auditor's report

To the shareholders of VKR Invest ApS

Opinion

We have audited the financial statements of VKR Invest ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 as to 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 the 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.

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 note 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 the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the 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 the Management's review and, in doing so, consider whether the 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 the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 19 February 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Østergaard Koch
State Authorised Public Accountant
mne35420

Henrik Carstensen
State Authorised Public Accountant
mne47765

Management's review

Company details

Name	VKR Invest ApS
Address, Postal code, City	Breeltevej 18, 2970 Hørsholm
CVR no.	37 29 14 47
Established	9 December 2015
Registered office	Hørsholm
Financial year	1 January - 31 December
Executive Board	Mads Kann-Rasmussen Thomas Overvad
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

VKR Invest ApS is a 100% owned subsidiary of VKR Holding A/S and the main activity is to operate as investment business.

Financial review

The income statement for 2023 shows a profit of DKK 19,035 thousand against a loss of DKK 26,150 thousand last year, and the balance sheet at 31 December 2023 shows equity of DKK 627,893 thousand.

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2023	2022
	Gross profit/loss	-205	-135
2	Employee costs	0	0
	Profit/loss before net financials	-205	-135
	Financial income	29,156	23,937
	Financial expenses	-9,916	-49,502
	Profit/loss before tax	19,035	-25,700
3	Tax	0	-450
	Profit/loss for the year	19,035	-26,150
	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	19,035	-26,150
		19,035	-26,150

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	<u>2023</u>	<u>2022</u>
	ASSETS		
	Fixed assets		
4	Investments		
	Other investments	367,480	382,775
		<u>367,480</u>	<u>382,775</u>
	Total fixed assets	<u>367,480</u>	<u>382,775</u>
	Non-fixed assets		
	Receivables		
	Prepayments	0	992
		<u>0</u>	<u>992</u>
	Securities and investments	256,355	221,277
	Cash	4,227	7,118
	Total non-fixed assets	<u>260,582</u>	<u>229,387</u>
	TOTAL ASSETS	<u><u>628,062</u></u>	<u><u>612,162</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	<u>2023</u>	<u>2022</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	80	80
	Retained earnings	627,813	608,778
	Total equity	<u>627,893</u>	<u>608,858</u>
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Payables to affiliated companies	100	100
	Other current liabilities	69	3,204
		<u>169</u>	<u>3,304</u>
	Total liabilities other than provisions	<u>169</u>	<u>3,304</u>
	TOTAL EQUITY AND LIABILITIES	<u>628,062</u>	<u>612,162</u>

1 Accounting policies

6 Contractual obligations and contingencies, etc.

Financial statements 1 January - 31 December

Statement of changes in equity

DKK'000	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	80	608,778	608,858
Transfer through appropriation of profit	0	19,035	19,035
Equity at 31 December 2023	<u>80</u>	<u>627,813</u>	<u>627,893</u>

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of VKR Invest ApS for 2022 is presented in accordance with the provisions of the Danish Financial Statements Act applying for class B companies and elective choice of certain provisions applying to reporting class C companies.

The Company is included in the consolidated financial statements for VKR Holding A/S, Hørsholm, CVR no. 30 83 04 15.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

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 and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Other operating income

Other operating income and costs comprise items of a secondary nature relative to the Company's core activities, including gains and losses on the sale of fixed assets.

Other external expenses

Other external expenses comprise the year's expenses relating to the Company's core activities, including distribution costs and costs relating to sale, advertising, administration, premises, bad debts losses, operating leases, etc.

Employee costs

Employee costs include wages and salaries and pension to the Company's employees, as well as other social security contributions, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Financial items include interest income and expenses, financing costs of finance leases, realised and unrealised gains and losses on securities, debt and transactions in foreign currencies, etc.

Tax

VKR Invest ApS is an investment company that is exempted from tax under section 3(1), no. 19 of the Danish Companies Tax Act.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Other investments

Securities which the Company intends to hold to maturity are measured at amortised cost, using the effective interest rate method at the date of acquisition. Value adjustments are recognised in the income statement under "Net financials".

Securities and investments consisting of listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Receivables

The Company has chosen IAS 39 as interpretation for impairment of financial 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 has been impaired, an impairment loss is recognised on an individual basis.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows.

Prepayments

Prepayments relate to goods and services not yet received and expenses incurred for goods and services, which will not to be used until the subsequent financial year.

Securities and investments

Securities and investments consisting in listed shares and bonds are measured at fair value (market price) at the balance sheet date. Investments not admitted to trading on an active market are measured at cost.

Cash

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

Given the nature of the VKR Group's cash pool arrangement, cash pool balances are not considered cash, but are recognised under "Receivables from affiliated companies".

Equity

Proposed dividends

Dividend proposed for the year is recognised as a liability once adopted at the annual general meeting (declaration date). Dividends expected to be distributed for the financial year are presented as a separate item under "Equity".

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

If a reliable fair value cannot be stated according to the above levels, the asset or liability is measured at cost.

2 Employee costs

The Company has no employees.

DKK'000	2023	2022
3 Tax		
Estimated tax charge for the year	0	450
	0	450

VKR Invest ApS is an investment company that is exempt from tax section 3(1), no. 19 of the Danish Companies Tax Act. Changes in the Company's equity is included in the taxable income of the parent company VKR Holding A/S. Tax for the year included in the income statement comprises taxes paid in foreign countries regarding other investments.

Financial statements 1 January - 31 December

Notes to the financial statements

4 Investments

DKK'000	<u>Other investments</u>
Cost at 1 January 2023	386,742
Additions	33,113
Disposals	-58,920
Cost at 31 December 2023	<u>360,935</u>
Value adjustments at 1 January 2023	-3,967
Revaluations for the year	9,432
Disposals	1,080
Value adjustments at 31 December 2023	<u>6,545</u>
Carrying amount at 31 December 2023	<u>367,480</u>

5 Disclosure of fair values

The Company has the following assets and liabilities measured at fair value:

DKK'000	<u>Other investments</u>	<u>Securities</u>
Fair value at year end	367,480	256,355
Unrealised fair value adjustments for the year, recognised in the income statement	10,511	5,843
Unrealised fair value adjustments for the year, recognised in hedging reserve	3	1

The Company's investments in "Other Investments" (level 3 in the fair value hierarchy) primarily include investments in property funds, private equity (capital funds) and similar passive investments (collectively referred to as "investment funds"). For this type of investments, fair value cannot be measured on basis of observations in an active market but is based on information of valuation from the funds themselves. At the conclusion of new investments in investment funds, VKR Invest receives information about the funds' overall principles for valuation and these are accepted if the Company chooses to invest in the investment fund. The fair value of its investments in investment funds is based on quarterly reports received. VKR Invest neither receives detailed information about fair value calculation of the investment funds, nor information about the key assumptions used in the fair valuation. The fair value of all investment funds is calculated based on non-observable inputs.

The valuation method is unchanged from 2022.

6 Contingent liabilities and other contractual obligations

Other contingent liabilities

DKK'000	<u>2023</u>	<u>2022</u>
Investment commitments towards investment funds	354,741	108,388
	<u>354,741</u>	<u>108,388</u>