

Greenspruce Valby Propco ApS

c/o DEAS A/S
Dirch Passers Allé 76
2000 Frederiksberg
Denmark

CVR no. 37 87 05 01

Annual report for the period 1 July 2022 – 30 June 2023

The annual report was presented and approved at
the Company's annual general meeting on

4 December 2023

Bjørn Allentoft
Chairman of the annual general meeting

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Greenspruce Valby Propco ApS
Annual report 2022/23
CVR no. 37 87 05 01

Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of Greenspruce Valby Propco ApS for the financial year 1 July 2022 – 30 June 2023.

The annual report has been 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 assets, liabilities and financial position at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 – 30 June 2023.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Frederiksberg, 4 December 2023
Executive Board:

Mette Seifert

Søren Ronni Salby

Amelia Grace Merrick

Robert William Johnston

Independent auditor's report

To the shareholder of Greenspruce Valby Propco ApS

Opinion

We have audited the financial statements of Greenspruce Valby Propco ApS for the financial year 1 July 2022 – 30 June 2023 comprising 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 Company's assets, liabilities and financial position at 30 June 2023 and of the results of the Company's operations for the financial year 1 July 2022 – 30 June 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.

Management's responsibility 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 that 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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.

Independent auditor's report

- 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 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 Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 4 December 2023

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Henrik Y. Jensen
State Authorised
Public Accountant
mne35442

Greenspruce Valby Propco ApS
Annual report 2022/23
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Management's review

Company details

Greenspruce Valby Propco ApS
c/o DEAS A/S
Dirch Passers Allé 76
2000 Frederiksberg
Denmark

CVR no.:	37 87 05 01
Established:	12 July 2016
Registered office:	Frederiksberg
Financial year:	1 July – 30 June

Executive Board

Mette Seifert
Søren Ronni Salby
Amelia Grace Merrick
Robert William Johnston

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The purpose of the Company is to conduct business within property development as well as related activities.

Development in activities and financial position

The Company's income statement for 2022/23 shows a loss of DKK -15,699,681 as against a profit of DKK 36,598,789 in 2021/22. Equity in the Company's balance sheet at 30 June 2023 stood at DKK 91,449,938 as against DKK 107,149,619 at 30 June 2022.

Uncertainty regarding recognition and measurement

The Company's investment properties are measured at fair value using the discounted cash flow (DCF) method. The properties 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 properties.

Events after the balance sheet date

Uncertainty in the real estate market has continued after the balance sheet date and it is expected that the property's value will fall 5-10% before the market stabilizes.

Financial statements 1 July – 30 June

Income statement

DKK	Note	2022/23	2021/22
Gross profit		6,998,116	6,545,349
Depreciation, amortisation and impairment losses		<u>-595,000</u>	<u>-595,000</u>
Profit before financial income and expenses		6,403,116	5,950,349
Fair value adjustment of investment properties		-25,200,000	28,600,000
Other financial income		3,615,608	15,281,351
Other financial expenses	3	<u>-5,367,820</u>	<u>-3,976,837</u>
Profit/loss before tax		-20,549,096	45,854,863
Tax on profit/loss for the year	4	<u>4,849,415</u>	<u>-9,256,074</u>
Profit/loss for the year		<u><u>-15,699,681</u></u>	<u><u>36,598,789</u></u>
Proposed profit appropriation/distribution of loss			
Retained earnings		<u><u>-15,699,681</u></u>	<u><u>36,598,789</u></u>
		<u><u>-15,699,681</u></u>	<u><u>36,598,789</u></u>

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	30/6 2023	30/6 2022
ASSETS			
Fixed assets			
Intangible assets	5		
Parking rights		<u>3,910,000</u>	<u>4,505,000</u>
Property, plant and equipment	6		
Investment properties		<u>239,300,000</u>	<u>264,500,000</u>
Investments	7		
Other receivables		<u>16,035,468</u>	<u>13,759,587</u>
Total fixed assets		<u>259,245,468</u>	<u>282,764,587</u>
Current assets			
Receivables			
Trade receivables		653,160	0
Receivables from group entities		352,095	212,669
Other receivables		0	66,129
Prepayments		<u>466,513</u>	<u>642,079</u>
		<u>1,471,768</u>	<u>920,877</u>
Cash at bank and in hand		<u>11,157,048</u>	<u>7,487,323</u>
Total current assets		<u>12,628,816</u>	<u>8,408,200</u>
TOTAL ASSETS		<u><u>271,874,284</u></u>	<u><u>291,172,787</u></u>

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	30/6 2023	30/6 2022
EQUITY AND LIABILITIES			
Equity			
Contributed capital		51,000	51,000
Retained earnings		<u>91,398,938</u>	<u>107,098,619</u>
Total equity		<u>91,449,938</u>	<u>107,149,619</u>
Provisions			
Provisions for deferred tax		<u>8,207,757</u>	<u>14,232,256</u>
Total provisions		<u>8,207,757</u>	<u>14,232,256</u>
Liabilities other than provisions			
Non-current liabilities other than provisions			
	8		
Mortgage loans		81,142,885	81,047,495
Payables to shareholders and Management		78,461,647	80,017,243
Deposits		<u>2,819,165</u>	<u>2,607,817</u>
		<u>162,423,697</u>	<u>163,672,555</u>
Current liabilities other than provisions			
Prepayments received from customers		1,297,739	773,330
Trade payables		1,449,108	575
Payables to group entities		1,980,601	284,064
Corporation tax		5,061,359	3,886,275
Other payables		<u>4,085</u>	<u>1,174,113</u>
		<u>9,792,892</u>	<u>6,118,357</u>
Total liabilities other than provisions		<u>172,216,589</u>	<u>169,790,912</u>
TOTAL EQUITY AND LIABILITIES		<u>271,874,284</u>	<u>291,172,787</u>
Average number of full-time employees	2		
Contractual obligations, contingencies, etc.	9		
Mortgages and collateral	10		
Related party disclosures	11		

Financial statements 1 July – 30 June

Statement of changes in equity

DKK	Contributed capital	Retained earnings	Total
Equity at 1 July 2022	51,000	107,098,619	107,149,619
Transferred over the profit appropriation	0	-15,699,681	-15,699,681
Equity at 30 June 2023	51,000	91,398,938	91,449,938

Financial statements 1 July – 30 June

Notes

1 Accounting policies

The annual report of Greenspruce Valby Propco ApS for 2022/23 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

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

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, 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 latest financial statements is recognised in the income statement as financial income or financial expenses.

Derivative financial instruments

Financial instruments are used to hedge and swap variable interests into fixed rate instruments. The secured cash flows are expected to be realized and will affect the result over the remaining term of the swap. The fair value of interest rate swaps is calculated in accordance with IFRS 13 fair value hierarchy level 2.

On initial recognition, interest rate swaps are recognised in the balance sheet at cost and subsequently measured at fair value. Positive and negative fair values of interest rate swaps are recognised as other receivables and other payables, respectively.

Changes in fair value are recognised in the income statement on an ongoing basis.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross result.

Revenue

Rental revenue from operating leases is recognised as income on a straight line basis over the lease period.

Other external costs

Other external costs comprise costs related to rental, administration, office premises, etc.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

Value adjustment of investment properties

Value adjustment of investment properties comprises the year's changes in the fair value of investment properties.

Financial income and expenses

Financial income and expenses comprise interest income and expense, amortisation of financial assets and liabilities, etc.

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.

Balance sheet

Intangible assets

Patents, licences and trademarks

Patents and licences comprise of parking rights that are measured at cost less accumulated amortisation and impairment losses. The parking rights are amortised on a straight-line basis over the remaining life of the patent, and licences are amortised over the contract period, however, not exceeding 10 years.

Property, plant and equipment

Investment properties comprise properties that are held to earn rentals, held for capital appreciation or both.

Initially, investment properties are measured at cost including purchase price and directly related costs. The carrying amount also includes costs for improvements if the recognition criteria is met.

After 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.

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 duration of the cash flow and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal, reletting, redevelopment, or refurbishment.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

The valuations were performed by Savills, an accredited independent value with a recognized and relevant professional qualification and recent experience of the location and category of the investment properties being valued. The valuation model applied is in accordance with that recommended by the International Valuation Standards Committee. These valuation models are consistent with the principles in IFRS 13.

Impairment of fixed assets

The carrying amount of intangible assets and property, plant and equipment is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the forecast net cash flows from the use of the asset or the group of assets, including forecast net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Receivables

Receivables are measured at amortised cost.

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.

Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash and bank deposits.

Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

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.

Financial statements 1 July – 30 June

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1 Accounting policies (continued)

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

Financial 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.

Other liabilities are measured at amortised cost.

Deferred income

Deferred income comprises advance invoicing regarding income in subsequent years.

Financial statements 1 July – 30 June

Notes

DKK	<u>2022/23</u>	<u>2021/22</u>
2 Average number of full-time employees		
Average number of full-time employees	<u>0</u>	<u>0</u>
3 Other financial expenses		
Interest expense to group entities	3,353,413	3,437,352
Other financial costs	<u>2,014,407</u>	<u>539,485</u>
	<u>5,367,820</u>	<u>3,976,837</u>
4 Tax on profit for the year		
Current tax for the period	1,175,084	3,817,055
Deferred tax for the period	-5,695,885	6,271,015
Adjustment of deferred tax concerning previous years	<u>-328,614</u>	<u>-831,996</u>
	<u>-4,849,415</u>	<u>9,256,074</u>
5 Intangible assets		
DKK		Parking rights
Cost at 1 July 2022		<u>5,950,000</u>
Cost at 30 June 2023		<u>5,950,000</u>
Amortisation and impairment losses at 1 July 2022		-1,445,000
Amortisation for the year		<u>-595,000</u>
Amortisation and impairment losses at 30 June 2023		<u>-2,040,000</u>
Carrying amount at 30 June 2023		<u>3,910,000</u>

Financial statements 1 July – 30 June

Notes

6 Property, plant and equipment

DKK	Investment properties
Cost at 1 July 2022	<u>199,668,290</u>
Cost at 30 June 2023	<u>199,668,290</u>
Revaluations at 1 July 2022	64,831,710
Revaluations for the year	<u>-25,200,000</u>
Revaluations at 30 June 2023	<u>39,631,710</u>
Carrying amount at 30 June 2023	<u><u>239,300,000</u></u>

Key assumptions:

The residential property located in Valby has a total area of 6,004 sqm.. The exit yield is estimated at 3.65% at 30 June 2023, while 3.25% at 30 June 2022.

Sensitivity analysis:

An increase of the exit yield by 0.25 percentage points would reduce the property value by 15 mDKK million. A decrease in the exit yield by 0.25 percentage points would decrease the property value by 18 mDKK at the balance sheet date.

7 Other receivables

The Company hedges interest rate risks using interest rate swaps, whereby variable interest payments are converted to fixed. The secured cash flows are expected to be realized and will affect the result over the remaining term of the swap. The fair value of interest rate swaps is calculated in accordance with IFRS 13 fair value hierarchy level 2.

	30/6 2023			
DKK	Notional amount	Value adjust- ment	Fair value	Remaining years
Interest rate swaps	<u>82,290,000</u>	<u>2,275,881</u>	<u>16,035,468</u>	<u>7</u>

8 Non-current liabilities other than provisions

DKK	Total debt at 30/06 2023	Outstanding debt after five years
Mortgage loans	82,290,000	82,290,000
Payables to shareholders and Management	<u>78,461,647</u>	<u>78,461,647</u>
	<u>160,751,647</u>	<u>160,751,647</u>

Financial statements 1 July – 30 June

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9 Contractual obligations, contingencies, etc.

Contingent liabilities

The Company is jointly taxed with its parent, Greenspruce Valby Holdco ApS, which is the administration company of the group subject to the danish scheme of joint taxation. Therefore, the Company is unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax etc.

10 Mortgages and collateral

As collateral for its mortgage debt, DKK 82,290 thousand, the Company has provided collateral in investment properties with a carrying amount of DKK 239,300 thousand at 30 June 2023.

11 Related party disclosures

Greenspruce Valby Propco ApS' related parties comprise the following:

Control

Greenspruce Valby Propco ApS is part of the consolidated financial statements of Greenspruce Holdco 3 S.à.r.l., 37A Avenue J.F. Kennedy, L-1855 Luxembourg, which is the smallest group, in which the Company is included as a subsidiary.

The consolidated financial statements of Greenspruce Holdco 3 S.à.r.l. can be obtained by contacting the Company at the address above.