

CC Strandholmen K/S

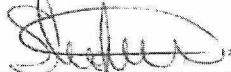
c/o Taurus Ejendomsadministration
Skovvejen 11, st., 8000 Aarhus C

CVR no. 38 23 69 97

Annual report 2023

Approved at the Company's meeting of the Board of Directors on ²⁵~~23~~ April 2024

Chair of the meeting:



.....
Sotiria Kampyli

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of CC Strandholmen K/S 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.

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.

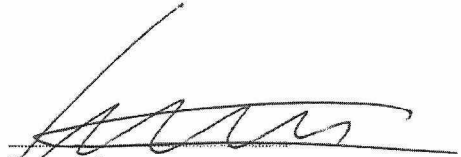
Aarhus, ²⁵~~23~~ April 2024
Executive Board:



Sotiria Kampyli



Manon Casulli



Timm Grün

Independent auditor's report

To the partner of CC Strandholmen K/S

Opinion

We have audited the financial statements of CC Strandholmen K/S 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.

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 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.

Aarhus, ²⁵28 April 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kaare K. Lendorf
State Authorised Public Accountant
mne33819

Emil Johnsen
State Authorised Public Accountant
mne50640

Management's review

Company details

| | |
|----------------------------|---|
| Name | CC Strandholmen K/S |
| Address, Postal code, City | c/o Taurus Ejendomsadministration Skovvejen 11, st., 8000 Aarhus C |
| CVR no. | 38 23 69 97 |
| Established | 30 November 2016 |
| Registered office | Aarhus |
| Financial year | 1 January - 31 December |
| Executive Board | Sotiria Kamyli Manon Casulli Timm Grün |
| General Partner | Strandholmen HoldCo S. a. r. l. |
| Auditors | EY Godkendt Revisionspartnerselskab Værkmestergade 25, P.O. Box 330, 8100 Aarhus C, Denmark |

Management's review

Business review

The purpose of the company is to acquire and operate real estate. The company may provide guarantees, raise loans, grant loans or otherwise directly or indirectly assist with the financing of the group. The Company may, at its own expense or on behalf of a third party, carry on any business useful or necessary to fulfill its purposes or purposes which are directly or indirectly related to its own or a third party's purpose

Financial review

The income statement for 2023 shows a loss of DKK 22,171,944 against a profit of DKK 12,684,070 last year, and the balance sheet at 31 December 2023 shows equity of DKK 153,206,008.

As the company's purpose is investment in properties, the Company is affected by changes in the property market, including the general economic conditions.

The market situation in the real estate sector is affected by uncertainty, as a result high inflation and increasing interest rates. However, the company's activities have not been significantly affected by this.

The uncertainty related to interest rates and yields has created a gap between buyers' and sellers' expectation to sales prices of properties which is reflected in the lower transaction volume for investment properties in 2023.

This has been reflected in the valuation of the company's properties.

Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

Financial statements 1 January - 31 December

Income statement

| Note | DKK | <u>2023</u> | <u>2022</u> |
|------|--|--------------------|--------------------|
| | Gross profit | 15,277,862 | 14,337,402 |
| | Fair value adjustment of investment property | -32,000,000 | 4,000,000 |
| | Profit/loss before net financials | -16,722,138 | 18,337,402 |
| | Financial income | 144,456 | 25,242 |
| 3 | Financial expenses | -5,594,262 | -5,678,574 |
| | Profit/loss for the year | <u>-22,171,944</u> | <u>12,684,070</u> |
| | Recommended appropriation of profit/loss | | |
| | Extraordinary dividend distributed in the year | 9,500,000 | 25,000,000 |
| | Retained earnings/accumulated loss | <u>-31,671,944</u> | <u>-12,315,930</u> |
| | | <u>-22,171,944</u> | <u>12,684,070</u> |

Financial statements 1 January - 31 December

Balance sheet

| Note | DKK | <u>2023</u> | <u>2022</u> |
|------|-------------------------------|---------------------------|---------------------------|
| | ASSETS | | |
| | Fixed assets | | |
| 4 | Property, plant and equipment | | |
| | Investment property | 416,000,000 | 448,000,000 |
| | | <u>416,000,000</u> | <u>448,000,000</u> |
| | Total fixed assets | <u>416,000,000</u> | <u>448,000,000</u> |
| | Non-fixed assets | | |
| | Receivables | | |
| | Other receivables | 99,922 | 85,960 |
| | Prepayments | 308,398 | 174,873 |
| | | <u>408,320</u> | <u>260,833</u> |
| | Cash | 10,233,226 | 4,589,366 |
| | Total non-fixed assets | <u>10,641,546</u> | <u>4,850,199</u> |
| | TOTAL ASSETS | <u>426,641,546</u> | <u>452,850,199</u> |

Financial statements 1 January - 31 December

Balance sheet

| Note | DKK | <u>2023</u> | <u>2022</u> |
|------|--|--------------------|--------------------|
| | EQUITY AND LIABILITIES | | |
| | Equity | | |
| | Share capital | 1,000,001 | 1,000,001 |
| | Retained earnings | 152,206,007 | 183,877,951 |
| | Total equity | <u>153,206,008</u> | <u>184,877,952</u> |
| | Liabilities other than provisions | | |
| 5 | Non-current liabilities other than provisions | | |
| | Mortgage debt | 183,000,000 | 183,000,000 |
| | Payables to group entities | 73,690,859 | 73,690,859 |
| | Deposits | 7,178,209 | 6,584,039 |
| | | <u>263,869,068</u> | <u>263,274,898</u> |
| | Current liabilities other than provisions | | |
| 5 | Short-term part of long-term liabilities other than provisions | 8,105,998 | 4,052,998 |
| | Trade payables | 1,407,900 | 574,983 |
| | Other payables | 52,572 | 69,368 |
| | | <u>9,566,470</u> | <u>4,697,349</u> |
| | Total liabilities other than provisions | <u>273,435,538</u> | <u>267,972,247</u> |
| | TOTAL EQUITY AND LIABILITIES | <u>426,641,546</u> | <u>452,850,199</u> |

- 1 Accounting policies
- 2 Staff costs
- 6 Security and collateral
- 7 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

| DKK | Share capital | Retained earnings | Total |
|--|---------------|-------------------|-------------|
| Equity at 1 January 2022 | 1,000,001 | 196,193,881 | 197,193,882 |
| Transfer through appropriation of profit | 0 | 12,684,070 | 12,684,070 |
| Dividend paid | 0 | -25,000,000 | -25,000,000 |
| Equity at 1 January 2023 | 1,000,001 | 183,877,951 | 184,877,952 |
| Transfer through appropriation of loss | 0 | -22,171,944 | -22,171,944 |
| Dividend paid | 0 | -9,500,000 | -9,500,000 |
| Equity at 31 December 2023 | 1,000,001 | 152,206,007 | 153,206,008 |

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of CC Strandholmen K/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

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

Basis of 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.

Reporting currency

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

Income statement

Revenue

The Company has chosen IAS 11/IAS 18 as interpretation for revenue recognition.

Rental income is recognised on a straight line-basis over the term of the lease.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Gross profit

The items revenue, expenses, property and external expenses have been aggregated into one item in the income statement called gross profit in accordance with section 32 of the Danish Financial Statements Act.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Expenses, property

Property expenses include expenses relating to renting out the Company's investment property, including expenses relating to running and maintaining such property.

Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Balance sheet

Investment property

On initial recognition, investment property is measured at cost. Investment property is subsequently measured at fair value, and the value adjustment for the year is recognised in the income statement under the item "Fair value adjustment of investment property". The fair value is based on the expected future cash flows for the investment property.

Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down 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.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected 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 recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

Cash

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

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

The Limited Partnership is not subject to taxation.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

The Company has no employees.

| DKK | 2023 | 2022 |
|-----------------------------------|------------------|------------------|
| 3 Financial expenses | | |
| Interest expenses, group entities | 4,053,000 | 4,052,997 |
| Other financial expenses | 1,541,262 | 1,625,577 |
| | <u>5,594,262</u> | <u>5,678,574</u> |

4 Property, plant and equipment

| DKK | Investment property |
|-------------------------------------|------------------------|
| Cost at 1 January 2023 | <u>378,749,123</u> |
| Cost at 31 December 2023 | <u>378,749,123</u> |
| Revaluations at 1 January 2023 | 69,250,877 |
| Value adjustments for the year | <u>-32,000,000</u> |
| Revaluations at 31 December 2023 | <u>37,250,877</u> |
| Carrying amount at 31 December 2023 | <u>416,000,000</u> |

Investment property

Fair value estimation

Assumptions underlying the determination of fair value of investment properties

The company's investments property is measured at fair value after the fair value hierarchy level 3.

The fair value is an estimate made by management based on information available and actual expectations as to the future.

Independent appraiser are consulted for purposes of estimating the fair values.

A weighted exit yield of 3.99 % and a discount rate of 6.1 % has been applied in the market value assessment at 31 December 2023.

The company's investment property is 100% residential.

The investment property is located in the area of Copenhagen.

The property is valued at fair value based on DCF model, which is based on forecasts for future cash flows that the individual property is expected to generate, expected CAPEX investments and development in vacancy.

Significant fair value assumptions

- The fair value of investment properties amounts to DKK 416,000,000
- Budget period: 10 years
- Residential rent per sqm: DKK 1,948
- Net Yield for residential units: 4.03 %
- Operating expenses per sqm: 460 DKK
- Herof external maintenance per sqm: DKK 51

Financial statements 1 January - 31 December

Notes to the financial statements

Sensitivity analysis

Changes in estimated required rate of return for investment properties will affect the value of investment properties recognized in the balance sheet as well as value adjustments carried in the income statement.

An increase in the discount rate by 0.5 percentage points will imply a decrease in the fair value of DKK 45,000,000. A decrease in the discount rate by 0.5 percentage points will imply an increase in the fair value of DKK 57,400,000.

5 Non-current liabilities other than provisions

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:

| DKK | Total debt at 31/12 2023 | Short-term portion | Long-term portion | Outstanding debt after 5 years |
|----------------------------|-----------------------------|-----------------------|----------------------|-----------------------------------|
| Mortgage debt | 183,000,000 | 0 | 183,000,000 | 183,000,000 |
| Payables to group entities | 81,796,857 | 8,105,998 | 73,690,859 | 73,690,859 |
| Deposits | 7,178,209 | 0 | 7,178,209 | 7,178,209 |
| | <u>271,975,066</u> | <u>8,105,998</u> | <u>263,869,068</u> | <u>263,869,068</u> |

6 Security and collateral

As security of mortgage of DKK 183,000,000 mortgage security of DKK 183,000,000 has been granted on investment properties representing a book value of DKK 416,000,000 at 31 December 2023.

7 Related parties

CC Strandholmen K/S' related parties comprise the following:

Parties exercising control

| Related party | Domicile | Basis for control |
|--------------------------|------------|-------------------|
| Strandholmen GP S.a.r.l. | Luxembourg | General Partner |

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Emil Johnsen

Stats.aut revisor

På vegne af: EY Godkendt Revisionspartnerselskab

Serienummer: emil.johnsen@dk.ey.com

IP: 165.225.xxx.xxx

2024-05-02 19:38:57 UTC

Kaare Kristensen Lendorf

EY Godkendt Revisionspartnerselskab CVR: 30700228

Stats.aut revisor

På vegne af: EY Godkendt Revisionspartnerselskab

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