

Red Warehouse PropCo ApS

**C/O Cura Management A/S
Rosenborggade 15
1130 København K**

CVR no. 39 65 00 88

Annual report for 2023

Adopted at the annual general
meeting on 8 July 2024

Lars Frederiksen
chairman

Table of contents

	Page
Statements	
Statement by management on the annual report	1
Independent auditor's report	2
Management's review	
Company details	5
Management's review	6
Financial statements	
Accounting policies	7
Income statement 1 January - 31 December	13
Balance sheet 31 December	14
Statement of changes in equity	16
Notes	17

Statement by management on the annual report

The Executive Board has today Discussed and approved the annual report of Red Warehouse PropCo ApS for the financial year 1 January - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In my 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.

I believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

I recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 8 July 2024

Executive board

Lars Frederiksen
CEO

Independent auditor's report

To the shareholder of Red Warehouse PropCo ApS

Opinion

We have audited the financial statements of Red Warehouse PropCo 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.

Independent auditor's report

- 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 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, 8 July 2024

Deloitte

Statsautoriseret Revisiospartnerselskab
CVR no. 33 96 35 56

Mads Buch
State Authorised Public Accountant
MNE no. mne47793

Company details

The company

Red Warehouse PropCo ApS
C/O Cura Management A/S
Rosenborggade 15
1130 København K

CVR no.: 39 65 00 88

Reporting period: 1 January - 31 December 2023

Domicile: Copenhagen

Executive board

Lars Frederiksen, CEO

Auditors

Deloitte
Statsautoriseret Revisiospartnerselskab
Weidekampsgade 6
2300 København

General meeting

The annual general meeting is held on 8 July 2024.

Management's review

Business review

The company's purpose is to accuire, operate and develop real estate

Financial review

The company's income statement for the year ended 31 December 2023 shows a loss of DKK -24,829,294, and the balance sheet at 31 December 2023 shows negative equity of DKK -56,166,209.

During the financial year 2023 the company has been transfered to new shareholders. According to group accounting policy for the new shareholders, investment properties are measured at cost value less accumulated depreciation, instead of fair value.

The comparative figures have been adjusted with a reduction in profit/loss before tax by DKK 22,512,102, a reduction in investments property of DKK 165,406,847 and assets by DKK 163,705,276, and a reduction in opening equity balance as of 1 January 2022 by DKK 106,688,916.

Management of the company believe that the new accounting policy give a true and fair view of assets and liabilities, the financial position as per 31 December, and the activities of the company, according to group accounting policy.

The Management has found that the equity is lost per 31 December 2023.

The Management has found that the equity is lost per 31 December 2023 and that the current liabilities exceeds the current assets in the balance sheet. The investment property is fully leased out at the end of 2023, and Management expects the equity to be restored through future earnings from its investment property and refinancing of mortgage debt in 2024.

The Management has presented the annual report on a going concern basis, with the condition that the investment property is fully leased throughout 2024.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Red Warehouse PropCo 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 provisions applying to reporting class C entities.

The annual report for 2023 is presented in DKK

Changes in accounting policies

The accounting policies applied are consistent with those of last year, except that the company has changed accounting principles for measurement of investment properties.

During the financial year 2023 the company has been transferred to new shareholders. According to group accounting policy for the new shareholders, investment properties are measured at cost value less accumulated depreciation, instead of fair value.

The comparative figures have been adjusted with a reduction in before tax by DKK 22,512,102, a reduction in investments property of DKK 165,406,847 and assets by DKK 163,705,276, and a reduction in opening equity balance as of 1 January 2022 by DKK 106,688,916.

Management of the company believe that the new accounting policy give a true and fair view of assets and liabilities, the financial position as per 31 December, and the activities of the company, according to group accounting policy.

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.

Accounting policies

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.

Income statement

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.

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, payment under operating leases, etc.

Administrative expenses include expenses incurred in the year for company management and administration, including expenses relating to administrative staff, management, office premises and expenses as well as amortisation/depreciation of assets used for administrative purposes.

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment

Depreciation, amortisation and impairment of intangible assets and property, plant and equipment comprise the year's depreciation, amortisation and impairment of intangible assets and 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, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities, liabilities and foreign currency transactions, amortisation of financial assets and liabilities and surcharges and allowances under the Danish Tax Prepayment Scheme, etc.

Accounting policies

Tax on profit/loss for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/ loss for the year is recognised in the income statement, where as the portion that relates to transactions taken to equity is recognised in the equity.

The entity is jointly taxed with other group entities. The total Danish income tax charge is allocated between profit/ loss making Danish entities in proportion to their taxable income (full absorption).

Jointly taxed entities entitled to tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid to little tax payable surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Investment property

On initial recognition, investment property is measured at cost. Investment property is subsequently measured at cost less accumulated depreciation over the useful lifetime, using the straight-line method.

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

	Useful life	Residual value
Manufacturing plants	50 years	20 %

Assets costing less than DKK 32.000 are expensed in the year of acquisition.

Receivables

Receivables are measured at amortised cost.

Accounting policies

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

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 and cash equivalents

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

Provisions

Provisions comprise anticipated expenses relating to warranty commitments, onerous contracts, restructurings, etc. Provisions are recognised when the Company has a legal or constructive obligation at the balance sheet date as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Provisions are measured at net realisable value or at fair value if the obligation is expected to be settled far into the future.

Accounting policies

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/ loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to 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. Deferred tax assets are recognised at the expected value of their utilisation; 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. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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

Accounting policies

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency instruments are considered cash flow hedges, any unrealised value adjustments are taken directly to a fair value reserve under 'Equity'.

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

Income statement 1 January - 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Gross profit		-1.927.175	-4.709.948
Depreciation concerning buildings		-1.484.647	<u>0</u>
Profit/loss before net financials		-3.411.822	-4.709.948
Financial costs	3	-19.715.901	-11.554.047
Profit/loss before tax		-23.127.723	-16.263.995
Tax on profit/loss for the year	4	-1.701.571	<u>3.394.402</u>
Profit/loss for the year		<u>-24.829.294</u>	<u>-12.869.593</u>
Retained earnings		-24.829.294	-12.869.593
		<u>-24.829.294</u>	<u>-12.869.593</u>

Balance sheet 31 December

	<u>Note</u>	<u>2023</u> DKK	<u>2022</u> DKK
Assets			
Investment properties	5	278.473.471	192.310.337
Lease incentives	5	<u>2.366.904</u>	<u>2.366.904</u>
Tangible assets		<u>280.840.375</u>	<u>194.677.241</u>
Total non-current assets		<u>280.840.375</u>	<u>194.677.241</u>
Other receivables		1.750.856	9.997.562
Deferred tax asset		0	1.701.571
Joint taxation contribution receivable		0	4.086.038
Prepayments		<u>470.979</u>	<u>90.357</u>
Receivables		<u>2.221.835</u>	<u>15.875.528</u>
Cash at bank and in hand		<u>1.461.260</u>	<u>5.535.608</u>
Total current assets		<u>3.683.095</u>	<u>21.411.136</u>
Total assets		<u>284.523.470</u>	<u>216.088.377</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
Retained earnings		<u>-56.166.209</u>	<u>-31.336.915</u>
Equity	6	<u>-56.116.209</u>	<u>-31.286.915</u>
Mortgage loans		187.212.709	114.495.823
Payables to group entities		141.618.613	100.930.450
Rental deposits		<u>7.288.488</u>	<u>3.506.525</u>
Total non-current liabilities	7	<u>336.119.810</u>	<u>218.932.798</u>
Trade payables		2.983.038	7.240.546
Payables to group entities		<u>1.536.831</u>	<u>21.201.948</u>
Total current liabilities		<u>4.519.869</u>	<u>28.442.494</u>
Total liabilities		<u>340.639.679</u>	<u>247.375.292</u>
Total equity and liabilities		<u>284.523.470</u>	<u>216.088.377</u>

Statement of changes in equity

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2023	50.000	-31.336.915	-31.286.915
Net profit/loss for the year	0	-24.829.294	-24.829.294
Equity at 31 December 2023	<u>50.000</u>	<u>-56.166.209</u>	<u>-56.116.209</u>

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	50.000	88.221.594	88.271.594
Net effect from change of accounting policy	0	-106.688.916	-106.688.916
Adjusted equity at 1 January 2022	50.000	-18.467.322	-18.417.322
Net profit/loss for the year	0	-12.869.593	-12.869.593
Equity at 31 December 2022	<u>50.000</u>	<u>-31.336.915</u>	<u>-31.286.915</u>

Notes

1 Uncertainty about the continued operation (going concern)

The Management has found that the equity is lost per 31 December 2023 and that the current liabilities exceeds the current assets in the balance sheet. The investment property is fully leased out at the end of 2023, and Management expects the equity to be restored through future earnings from its investment property and refinancing of mortgage debt in 2024.

The Management has presented the annual report on a going concern basis, with the condition that the investment property is fully leased throughout 2024.

	<u>2023</u> DKK	<u>2022</u> DKK
2 Staff costs		
Number of fulltime employees on average	<u>0</u>	<u>0</u>

The entity has no employees other than Executive Board. The Executive Officer has not received any remuneration.

	<u>2023</u> DKK	<u>2022</u> DKK
3 Financial costs		
Interest expenses, group entities	6.551.784	6.139.935
Interest expenses, external loan creditors	12.986.683	5.414.112
Exchange loss	<u>177.434</u>	<u>0</u>
	<u>19.715.901</u>	<u>11.554.047</u>

4 Tax on profit/loss for the year

Tax income, joint taxation	0	-4.086.038
Deferred tax for the year	<u>1.701.571</u>	<u>691.636</u>
	<u>1.701.571</u>	<u>-3.394.402</u>

Notes

5 Tangible assets

	<u>Investment properties</u>	<u>Lease incentives</u>	<u>Total</u>
Cost at 1 January 2023	192.310.337	2.366.904	194.677.241
Additions for the year	<u>87.647.781</u>	<u>0</u>	<u>87.647.781</u>
Cost at 31 December 2023	<u>279.958.118</u>	<u>2.366.904</u>	<u>282.325.022</u>
Depreciation at 1 January 2023	0	0	0
Depreciation for the year	<u>1.484.647</u>	<u>0</u>	<u>1.484.647</u>
Depreciation at 31 December 2023	<u>1.484.647</u>	<u>0</u>	<u>1.484.647</u>
Carrying amount at 31 December 2023	<u><u>278.473.471</u></u>	<u><u>2.366.904</u></u>	<u><u>280.840.375</u></u>

6 Equity

The share capital consists of 50.000 shares of a nominal value of DKK 1. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

Notes

7 Long term debt

	<u>2023</u>	<u>2022</u>
	DKK	DKK
Mortgage loans		
After 5 years	187.212.709	114.495.823
Non-current portion	187.212.709	114.495.823
Within 1 year	<u>0</u>	<u>0</u>
	<u>187.212.709</u>	<u>114.495.823</u>
Payables to group entities		
After 5 years	141.618.613	100.930.450
Non-current portion	141.618.613	100.930.450
Within 1 year	<u>1.536.831</u>	<u>21.201.948</u>
Current portion	<u>1.536.831</u>	<u>21.201.948</u>
	<u>143.155.444</u>	<u>122.132.398</u>
Rental deposits		
After 5 years	<u>7.288.488</u>	<u>3.506.525</u>
Non-current portion	<u>7.288.488</u>	<u>3.506.525</u>
Within 1 year	<u>0</u>	<u>0</u>
Current portion	<u>0</u>	<u>0</u>
	<u>7.288.488</u>	<u>3.506.525</u>

Notes

8 Contingent liabilities

The company is jointly taxed with its parent company, Ruby HoldCo ApS (management company), and has limited and secondary liability together with other jointly taxed entities for payment of income taxes for income year 2023.

9 Mortgages and collateral

Land and buildings at a carrying amount of DKK 280.840 thousands at 31 December 2023 have been provided as security for mortgage debt totalling DKK 187.213 thousands.

10 Related parties and ownership structure

Ownership structure

THI Real Estate GmbH (ultimate parent company)
Eberhardstrasse 65
70173 Stuttgart
Germany