

CMNRE II Købmagergade 42 Holding ApS

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

CVR no. 40 85 14 61

Annual report 2023

Approved at the Company's annual general meeting on 26 April 2024

Chair of the meeting:

.....
Juha Matti Salokoski

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Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of CMNRE II Købmagergade 42 Holding 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.

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, 26 April 2024
Executive Board:

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Peter Gill

.....
Juha Matti Salokoski

.....
Torsten Bjerregaard

Independent auditor's report

To the shareholder of CMNRE II Købmagergade 42 Holding ApS

Opinion

We have audited the financial statements of CMNRE II Købmagergade 42 Holding 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, 26 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	CMNRE II Købmagergade 42 Holding ApS
Address, Postal code, City	c/o Taurus Ejendomsadministration Skovvejen 11, st., 8000 Aarhus C
CVR no.	40 85 14 61
Established	10 October 2019
Registered office	Aarhus
Financial year	1 January - 31 December
Executive Board	Peter Gill Juha Matti Salokoski Torsten Bjerregaard
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

Management's review

Business review

The purpose of the company is, directly or indirectly, to acquire and own shares in other companies and related companies.

Financial review

The income statement for 2023 shows a loss of DKK 27,046,806 against a loss of DKK 15,536,694 last year, and the balance sheet at 31 December 2023 shows a negative equity of DKK 2,966,455.

As the company's purpose is to invest in companies which owns properties, the Company's business processes and the valuation of investment properties in the Company's subsidiaries is affected by changes in the property market, including the general level of interest rates and 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 investments.

It is the management's expectation that equity will be re-established through future earnings. If necessary management will re-established equity through a group contribution or conversion of shareholder loan.

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	2023	2022
	Gross profit/loss	-70,751	-64,956
	Income from investments in group enterprises	-25,893,323	-13,366,343
3	Financial income	9,518,964	7,699,745
4	Financial expenses	-10,927,037	-10,417,290
	Profit/loss before tax	-27,372,147	-16,148,844
5	Tax for the year	325,341	612,150
	Profit/loss for the year	-27,046,806	-15,536,694
	 Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	-27,046,806	-15,536,694
		-27,046,806	-15,536,694

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	ASSETS		
	Fixed assets		
6	Investments		
	Investments in group enterprises	30,428,662	56,321,985
	Receivables from group enterprises	<u>156,171,890</u>	<u>156,171,890</u>
		186,600,552	212,493,875
	Total fixed assets	<u>186,600,552</u>	<u>212,493,875</u>
	Non-fixed assets		
	Receivables		
	Receivables from group enterprises	27,993,192	18,492,735
	Deferred tax assets	520,745	520,745
	Joint taxation contribution receivable	<u>1,136,371</u>	<u>811,030</u>
		29,650,308	19,824,510
	Cash	<u>1,494,831</u>	<u>1,539,382</u>
	Total non-fixed assets	<u>31,145,139</u>	<u>21,363,892</u>
	TOTAL ASSETS	<u>217,745,691</u>	<u>233,857,767</u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	40,004	40,004
	Share premium account	0	0
	Retained earnings	-3,006,459	24,040,347
	Total equity	<u>-2,966,455</u>	<u>24,080,351</u>
	Liabilities other than provisions		
7	Non-current liabilities other than provisions		
	Payables to group entities	179,622,539	179,622,539
		<u>179,622,539</u>	<u>179,622,539</u>
	Current liabilities other than provisions		
7	Short-term part of long-term liabilities other than provisions	41,050,914	30,123,877
	Trade payables	38,693	31,000
		<u>41,089,607</u>	<u>30,154,877</u>
	Total liabilities other than provisions	<u>220,712,146</u>	<u>209,777,416</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>217,745,691</u></u>	<u><u>233,857,767</u></u>

- 1 Accounting policies
- 2 Staff costs
- 8 Contractual obligations and contingencies, etc.
- 9 Security and collateral
- 10 Related parties

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Share premium account	Retained earnings	Total
Equity at 1 January 2022	40,001	0	-5,012,056	-4,972,055
Capital increase	3	44,589,097	0	44,589,100
Transfer through appropriation of loss	0	0	-15,536,694	-15,536,694
Transferred from share premium account	0	-44,589,097	44,589,097	0
Equity at 1 January 2023	40,004	0	24,040,347	24,080,351
Transfer through appropriation of loss	0	0	-27,046,806	-27,046,806
Equity at 31 December 2023	40,004	0	-3,006,459	-2,966,455

The Company has lost its equity. The Company's equity is expected to be re-established over the coming years due to reversals of impairment write-down regarding investment in group enterprises or capital increases.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of CMNRE II Købmagergade 42 Holding ApS 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.

Pursuant to section 110(1) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements.

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

Basis of recognition and measurement

Revenue is 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.

Assets are recognized 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 reliably measured.

Liabilities are recognized in the balance sheet when it is probable that future economic benefits will be deducted company and the value of the liability can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described for each accounting item below.

Reporting currency

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

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate 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 rate 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

Gross profit/loss

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

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 statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Profit/loss from investments in group entities

The item includes dividends from investments in group entities and associates. Dividend distributions that either exceed the profit for the year or where the carrying amount of the investments exceeds the consolidated carrying amounts of the group entity's net assets will indicate impairment for which reason an impairment test will have to be conducted.

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.

Tax

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, whereas the portion that relates to transactions taken to equity is recognised in equity.

The Company and its Danish group entities are jointly taxed. 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 a tax refund are reimbursed by the management company based on the rates applicable to interest allowances, and jointly taxed entities which have paid too little tax pay a surcharge according to the rates applicable to interest surcharges to the management company.

Balance sheet

Investments in group entities

Investments in group entities and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

Impairment of fixed assets

The carrying amount of investments in group entities is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Receivables

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

Receivables are measured at amortised cost.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Cash

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

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.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Staff costs

The Company has no employees.

DKK	2023	2022
3 Financial income		
Interest receivable, group entities	9,500,457	7,696,806
Other financial income	18,507	2,939
	<u>9,518,964</u>	<u>7,699,745</u>
4 Financial expenses		
Interest expenses, group entities	10,927,037	10,412,522
Other financial expenses	0	4,768
	<u>10,927,037</u>	<u>10,417,290</u>
5 Tax for the year		
Estimated tax charge for the year	-325,341	-811,030
Deferred tax adjustments in the year	0	198,880
	<u>-325,341</u>	<u>-612,150</u>

6 Investments

DKK	Investments in group enterprises	Receivables from group enterprises	Total
Cost at 1 January 2023	77,480,967	156,171,890	233,652,857
Cost at 31 December 2023	77,480,967	156,171,890	233,652,857
Value adjustments at 1 January 2023	-21,158,982	0	-21,158,982
Impairment losses	-25,893,323	0	-25,893,323
Value adjustments at 31 December 2023	-47,052,305	0	-47,052,305
Carrying amount at 31 December 2023	<u>30,428,662</u>	<u>156,171,890</u>	<u>186,600,552</u>

50% of deferred tax on Investment properties has been added to the recoverable amount in the impairment test of investments in subsidiaries. This is in line with valuation practice and is a result of an expectation of agreed terms in a potential transaction with a third-party buyer.

Group entities

Name	Legal form	Domicile	Interest	Equity DKK	Profit/loss DKK
Købmagergade 42	ApS	Aarhus	100.00%	6,797,516	-23,319,972

Financial statements 1 January - 31 December

Notes to the financial statements

7 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
Payables to group entities	220,673,453	41,050,914	179,622,539	179,622,539
	<u>220,673,453</u>	<u>41,050,914</u>	<u>179,622,539</u>	<u>179,622,539</u>

8 Contractual obligations and contingencies, etc.

Other contingent liabilities

The group companies are jointly and severally liable for tax on the jointly taxed income of the Group. Moreover, the group companies are jointly and severally liable for Danish withholding taxes by way of dividend tax, tax on royalty payments and tax on unearned income. Any subsequent adjustments of corporation taxes and withholding taxes may increase the Company's liability.

9 Security and collateral

The Company has not provided any security or other collateral in assets at 31 December 2023.

10 Related parties

Information about consolidated financial statements

Parent	Domicile	Requisitioning of the parent company's consolidated financial statements
CapMan Nordic Real Estate II FCP-RAIF	Luxembourg	1B Heienhaff, L-1736 Senningerberg, Luxembourg

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The signatures in this document are legally binding. The document is signed using Penneo™ secure digital signature. The identity of the signers has been recorded, and are listed below.

"By my signature I confirm all dates and content in this document."

Salokoski Juha Matti

Executive Board

On behalf of: CapMan Nordic Real Estate II FCP - RAIF

Serial number:

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Salokoski Juha Matti

Chairman

On behalf of: CapMan Nordic Real Estate II FCP - RAIF

Serial number:

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Torsten Bjerregaard

Executive Board

On behalf of: CapMan Nordic Real Estate II FCP - RAIF

Serial number: 124808bb-c012-48cf-bc2e-34c8d9fd3028

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2024-04-26 14:19:04 UTC



Peter Gill

Executive Board

On behalf of: CapMan Nordic Real Estate II FCP - RAIF

Serial number: 084a5126-1da6-475c-ae3f-3ba80b438922

IP: 152.115.xxx.xxx

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Emil Johnsen

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

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2024-04-29 07:58:54 UTC

Kaare Kristensen Lendorf

EY Godkendt Revisionspartnerselskab CVR: 30700228

State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: 8eede778-219e-4dd7-8652-c0d59bb93611

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