ECF Campus Propco ApS

Bredgade 45A, 2. tv, 1260 København K

CVR no. 41 25 45 80

Annual report 2022

Approved at the Company's annual general meeting on 11 July 2023

Chair of the meeting:

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The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

Contents

Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of ECF Campus Propco ApS for the financial year 1 January - 31 December 2022.

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 2022 and of the results of the Company's operations for the financial year 1 January - 31 December 2022.

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.

Copenhagen, 11 July 2023
Executive Board:

Alex Dam Hansen	Oscar Thøger Maltesen

Independent auditor's report

To the shareholder of ECF Campus Propco ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022 and of the results of the Company’s operations for the financial year 1 January 2022 - 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of ECF Campus Propco ApS for the financial year 1 January 2022 - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies (”the Financial Statements”).

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.

Statement on the 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 Financials Statements Act.

Based on the work we have performed, in our view, 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 in Management’s Review.

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 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 eco- nomic decisions of users taken on the basis of these Financial Statements.

Independent auditor's report

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.
- 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.

Hellerup, 11 July 2023
Pricewaterhousecoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Mads Blichfeldt Fjord
State Authorised Public Accountant
mne46065

Management's review

Company details

Name	ECF Campus Propco ApS
Address, Postal code, City	C/O Norse Property Management A/S Bredgade 45A, 2. tv, 1260 København K
CVR no.	41 25 45 80
Established	23 March 2020
Registered office	København
Financial year	1 January - 31 December
Executive Board	Alex Dam Hansen Oscar Thøger Maltesen
Auditors	Pricewaterhousecoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 Hellerup

Management's review

Business review

The company's activities comprise of acquiring, owning and renting real estate and other properties company that is in connection with this.

Financial review

The income statement for 2022 shows a profit of DKK 203,147,250 against a loss of DKK 34,149 last year, and the balance sheet at 31 December 2022 shows equity of DKK 203,148,212.

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	2022	2021
	Gross profit	2,569,453	5,544,946
	Fair value adjustment of investment property	269,512,734	0
	Profit before net financials	272,082,187	5,544,946
3	Financial income	4,988,095	4,622,278
4	Financial expenses	-16,625,645	-10,210,592
	Profit/loss before tax	260,444,637	-43,368
5	Tax for the year	-57,297,387	9,219
	Profit/loss for the year	203,147,250	-34,149

	Recommended appropriation of profit/loss		
	Retained earnings/accumulated loss	203,147,250	-34,149
		203,147,250	-34,149

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2021
	ASSETS		
	Fixed assets		
6	**Property, plant and equipment**		
	Investment property	789,200,000	0
	Property, plant and equipment under construction	0	405,845,913
		789,200,000	405,845,913
	Total fixed assets	789,200,000	405,845,913
	Non-fixed assets		
	Receivables		
	Trade receivables	1,140,213	0
	Receivables from group enterprises	0	234,514,357
	Corporation tax receivable	0	1,238,219
	Other receivables	6,698,236	0
	Prepayments	235,872	0
		8,074,321	235,752,576
	Cash	5,822,949	841
	Total non-fixed assets	13,897,270	235,753,417
	TOTAL ASSETS	803,097,270	641,599,330

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2022	2021
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	50,000	50,000
	Retained earnings	203,098,212	-49,038
	Total equity	203,148,212	962
	Provisions		
	Deferred tax	60,248,773	1,428,000
	Total provisions	60,248,773	1,428,000
	Liabilities other than provisions		
7	**Non-current liabilities other than provisions**		
	Mortgage debt	290,762,630	0
	Deposits	3,153,754	0
		293,916,384	0
	Current liabilities other than provisions		
	Other credit institutions	0	386,440,365
	Prepayments received from customers	7,479,664	0
	Trade payables	4,565,881	342,386
	Payables to group enterprises	233,738,356	253,387,616
	Other payables	0	1
		245,783,901	640,170,368
	Total liabilities other than provisions	539,700,285	640,170,368
	TOTAL EQUITY AND LIABILITIES	803,097,270	641,599,330

1 Accounting policies
2 Events after the balance sheet date
8 Contractual obligations and contingencies, etc.
9 Collateral

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 January 2021	50,000	-14,889	35,111
Transfer through appropriation of loss	0	-34,149	-34,149
Equity at 1 January 2022	50,000	-49,038	962
Transfer through appropriation of profit	0	203,147,250	203,147,250
Equity at 31 December 2022	50,000	203,098,212	203,148,212

Financial statements 1 January - 31 December

Notes to the financial statements

1 **Accounting policies**

The annual report of ECF Campus Propco ApS for 2022 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.

Reporting currency

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

Income statement

Revenue

Revenue comprises of rental income.

Revenue is measured at the remuneration received and is recognized exclusive of VAT and with a deduction of discounts in connection with the sale.

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.

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 sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities, exchange gains and losses and amortisation of financial assets and liabilities.

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 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 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Property, plant and equipment under construction are measured at cost less impairment losses. Cost includes the acquisition price and costs directly related to the acquisition.

Investment property

Investment properties constitute land and buildings held to earn a return on the invested capital by way of current operating income and/or capital appreciation on sale.

On acquisition investment properties are measured at cost comprising the acquisition price and costs of acquisition. The cost of own constructed investment properties comprises the acquisition price and expenses directly related to the acquisition, including costs of acquisition and indirect expenses for labour, materials, components and supsuppliers up until the time when the asset is ready for use.

After the initial recognition investment properties are measured at fair value. Value adjustments of investment properties are recognised in the income statement.

In Management's opinion the classification of the properties as investment properties did not cause any difficulties.

Fair value is the amount for which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction on the balance sheet date. The determination of fair value involves material accounting estimates.

The fair value of investment properties has been assessed by the independent assessor firm Cushman & Wakefield at 31 December 2022.

The estimates applied are based on information and assumptions considered reasonable by Management but which are inherently uncertain and unpredictable. Actual events or circumstances will probably differ from the assumptions made in the calculations as often assumed events do not occur as expected. Such difference may be material. The assumptions applied are disclosed in the notes.

Discounted Cash Flow model:
The fair value of investment properties has been determined at 31 December 2022 for each property by using a Discounted Cash Flow model under which expected future cash flows are discounted to present value. The calculations are based on property budgets for the coming years. Allowance has been made for developments in rentals, vacancies, operating expenses, maintenance and administration, etc. The individual, budgeted cash flows are discounted at an individually fixed discount rate added a terminal value. The value thus calculated is adjusted for any non-operating assets such as cash and cash equivalents, deposits, etc if they are not shown separately in the balance sheet.

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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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 includes deposits in bank account.

Income taxes and deferred taxes

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. 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

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.

Prepayments received from customers

Prepayments comprises of prepaid rent and received deposits.

Financial statements 1 January - 31 December

Notes to the financial statements

2 Events after the balance sheet date

Central bankers response to rising inflation has been progressive monetary tightening which has had economic consequences globally. Banks and insurance companies are suffering losses to the market values of their bond portfolios as interest rates have risen but there seems little risk of direct contagion from the collapse of Silicon Valley Bank and Signature Bank and the rescue-takeover of Credit Suisse by UBS. The financial system is well capitalised and more resilient following regulatory changes post-Global Financial Crisis (GFC). Any sharp rise in interest rates can have negative unanticipated consequences in the financial system but Policy makers may need to keep monetary policy tight as long as inflation remains high. The likely outcome is that monetary tightening in the US, EU and UK eases a little to give the financial sector more room to cope with any consequences.

Current financial market volatility is expected to persist for some time and real estate funds will not be immune from this. The Fund's remains well positioned with a tenant base which consists largely of strongcovenant but the Board of Managers will continue to closely monitor developments in this area.

	DKK	2022	2021
3	**Financial income**		
	Interest receivable, group entities	4,982,781	4,622,278
	Other financial income	5,314	0
		4,988,095	4,622,278
4	**Financial expenses**		
	Interest expenses, group entities	6,644,346	0
	Other financial expenses	9,981,299	10,210,592
		16,625,645	10,210,592
5	**Tax for the year**		
	Estimated tax charge for the year	-1,523,386	-1,238,219
	Deferred tax adjustments in the year	58,820,773	1,229,000
		57,297,387	-9,219

Financial statements 1 January - 31 December

Notes to the financial statements

6 Property, plant and equipment

DKK	Investment property	Property, plant and equipment under construction	Total
Cost at 1 January 2022	0	405,845,913	405,845,913
Additions	19,324,414	94,516,939	113,841,353
Transferred	500,362,852	-500,362,852	0
Cost at 31 December 2022	519,687,266	0	519,687,266
Revaluations at 1 January 2022	0	0	0
Value adjustments for the year	269,512,734	0	269,512,734
Revaluations at 31 December 2022	269,512,734	0	269,512,734
Carrying amount at 31 December 2022	789,200,000	0	789,200,000
Recognised interest for the year	0	4,086,600	

Fair value estimation

The fair value of investment property is estimated for every single property on the basis of the budget for the coming year, adjusted for fluctuations of a one-off nature. This, adjusted budget reflects 'normalised' results of operations and is used in combination with a relevant yield requirement to estimate the fair value based on a yield-based model.

Significant fair value assumptions

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under currents market conditions.

The principal assumptions underlying management's estimation of fair value are those related to the:
- receipt of contractual rentals, based on the terms of any existing lease;
- void periods, based on the current and expected future market conditions after expiry of any current lease;
- maintenance requirements and; including necessary cash outflows that could be expected to maintain functionality of the property for its expected useful life;
- appropriate discount rates, reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
- capitalization rates; based on actual location, size and quality of the properties and taking into account market data at the valuation date;
- terminal value, taking into account assumptions regarding maintenance costs, vacancy rents and market rents.

Key assumptions for the estimated fair value are set out below:
- Occupancy rate Year 1 - 74.42%and 95%in year 2 as a stabilised position
- Weighted Average Room Rate, DKK 9,681 per month, DKK 3,200 per sqm.
- Rental Growth Rate 2.0%p.a. Except for year 2, where the growth is 4%
- Exit Yield PBSA: 3.95%
- Discount Rate PBSA: 5.95%

The fair value adjustments of the year are reflected in the profit and loss account as value adjustments on tangible assets.

Note 9 provides more details on security for loans, etc. as regards property, plant and equipment.

Financial statements 1 January - 31 December

Notes to the financial statements

7 Non-current liabilities other than provisions

Of the long-term liabilities, DKK 290,762,630 falls due for payment after more than 5 years after the balance sheet date.

8 Contractual obligations and contingencies, etc.

The Company is jointly taxed with its parent, ECF Campus HoldCo ApS, which acts as management company, and is jointly and severally liable with other jointly taxed group entities for payment of income taxes for the income year 2022.

9 Collateral

As security for the Company's debt to banks, the Company has provided the following collaterals - first priority pledge DKK 420,000,00 in the property as collateral for mortgage lending, second property pledge as collateral for derivatives limit, if applicable. A possible required guarantee from European Cities Fund covering the risk of an occupancy rate lower then 80% The guarantee can be released when the vacancy rate falls below 20%provided that the remining vacant area does not differ materially from the leased area and is considered equally lettable at the projected lease level at the lease area.

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"Med min underskrift bekræfter jeg indholdet og alle datoer i dette dokument."

Alex Dam Hansen
Direktør
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Oscar Thøger Maltesen
Direktør
Serienummer: 4755b025-bca2-440a-b784-d92b4ba7726e
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Mads Blichfeldt Henriksen
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