

Søllerødgade 15-19 K/S

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

CVR no. 41 83 39 12

Annual report 2023

Approved at the Company's meeting of the Board of Directors on 23 February 2024

Chair of the meeting:

.....
Peter Gill

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Søllerødgade 15-19 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, 23 February 2024
Executive Board:

.....
Hasse Lyngsie wulff
CEO

Board of Directors:

.....
Peter Gill
Chairman

.....
Juha Matti Salokoski

.....
Hasse Lyngsie wulff

Independent auditor's report

To the limited partners of Søllerødgade 15-19 K/S

Opinion

We have audited the financial statements of Søllerødgade 15-19 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.
- ▶ 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.

Independent auditor's report

- ▶ 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.

Copenhagen, 23 February 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Kaare K. Lendorf
State Authorised Public Accountant
mne33819

Management's review

Company details

Name	Søllerødgade 15-19 K/S
Address, Postal code, City	c/o Taurus Ejendomsadministration Skovvejen 11, st., 8000 Aarhus C
CVR no.	41 83 39 12
Established	10 November 2020
Registered office	Aarhus
Financial year	1 January - 31 December
Board of Directors	Peter Gill, Chairman Juha Matti Salokoski Hasse Lyngsie wulff
General Partner	Søllerødgade 15-19 GP ApS
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 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 3,459,089 against a loss of DKK 3,336,459 last year, and the balance sheet at 31 December 2023 shows equity of DKK 36,971,120.

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	2023	2022
	Gross profit	3,014,630	3,201,602
	Fair value adjustment of investment property	-5,000,000	-5,000,000
	Profit/ loss before net financials	-1,985,370	-1,798,398
	Financial income	133,575	10,930
3	Financial expenses	-1,607,294	-1,548,991
	Profit/ loss for the year	-3,459,089	-3,336,459
	Recommended appropriation of profit/ loss		
	Dividend distributed in the year	600,000	360,000
	Retained earnings/ accumulated loss	-4,059,089	-3,696,459
		-3,459,089	-3,336,459

Financial statements 1 January - 31 December

Balance sheet

Note	DKK	2023	2022
	ASSETS		
	Fixed assets		
4	Property, plant and equipment		
5	Investment property	122,000,000	127,000,000
		<u>122,000,000</u>	<u>127,000,000</u>
	Total fixed assets	<u>122,000,000</u>	<u>127,000,000</u>
	Non-fixed assets		
	Receivables		
	Other receivables	95,053	71,683
	Prepayments	8,228	38,528
		<u>103,281</u>	<u>110,211</u>
	Cash	<u>6,510,059</u>	<u>5,028,232</u>
	Total non-fixed assets	<u>6,613,340</u>	<u>5,138,443</u>
	TOTAL ASSETS	<u>128,613,340</u>	<u>132,138,443</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	22,093,803	22,093,803
	Retained earnings	14,877,317	18,936,406
	Total equity	<u>36,971,120</u>	<u>41,030,209</u>
	Liabilities other than provisions		
6	Non-current liabilities other than provisions		
	Mortgage debt	65,844,576	65,840,882
	Payables to group entities	22,375,212	22,375,212
	Deposits	2,600,927	2,278,594
		<u>90,820,715</u>	<u>90,494,688</u>
	Current liabilities other than provisions		
6	Short-term part of long-term liabilities other than provisions	328,995	289,616
	Trade payables	476,895	316,933
	Other payables	15,615	6,997
		<u>821,505</u>	<u>613,546</u>
	Total liabilities other than provisions	<u>91,642,220</u>	<u>91,108,234</u>
	TOTAL EQUITY AND LIABILITIES	<u>128,613,340</u>	<u>132,138,443</u>

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

Financial statements 1 January - 31 December

Statement of changes in equity

DKK	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity at 1 January 2022	22,093,803	22,632,865	44,726,668
Transfer through appropriation of loss	0	-3,336,459	-3,336,459
Dividend paid	0	-360,000	-360,000
Equity at 1 January 2023	22,093,803	18,936,406	41,030,209
Transfer through appropriation of loss	0	-3,459,089	-3,459,089
Dividend paid	0	-600,000	-600,000
Equity at 31 December 2023	22,093,803	14,877,317	36,971,120

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Søllerødgade 15-19 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.

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

Revenue

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, other operating income, 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.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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.

Income taxes

The Limited Partnership is not subject to taxation.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

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	1,247,729	1,247,729
Other financial expenses	359,565	301,262
	<u>1,607,294</u>	<u>1,548,991</u>

4 Property, plant and equipment

DKK	Investment property
Cost at 1 January 2023	111,224,920
Cost at 31 December 2023	<u>111,224,920</u>
Revaluations at 1 January 2023	15,775,080
Transferred	-5,000,000
Revaluations at 31 December 2023	<u>10,775,080</u>
Carrying amount at 31 December 2023	<u><u>122,000,000</u></u>

5 Investment property

Fair value estimation

Assumptions underlying the determination of fair value of investment properties

The company's investment 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 rate of return of 5.88 % and a exit yield of 3.88 % 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.

Financial statements 1 January - 31 December

Notes to the financial statements

Significant fair value assumptions

- ▶ The fair value of investment properties amounts to 122,000,000 DKK
- ▶ Budget period: 10 years
- ▶ Residential rent per sqm: 2,098 DKK
- ▶ Parkering rent per lot: 10,200 DKK per year.
- ▶ Net yield for residential units: 3.68%
- ▶ Operating expenses per sqm: 377 DKK
- ▶ Maintenance per sqm: 50 DKK

Operating expenses per sqm: 372 DKK

Sensitivity analysis

Changes in estimated required discount rate 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 rate of return and exit yield by 0.5 percentage points will imply a decrease in the fair value of DKK 14,000,000. A decrease in the rate of return and exit yield by 0.5 percentage points will imply an increase in the fair value of DKK 17,000,000.

6 Non-current liabilities other than provisions

DKK	Total debt at 31/12 2023	Short-term portion	Long-term portion	Outstanding debt after 5 years
Mortgage debt	65,844,576	0	65,844,576	65,844,576
Payables to group entities	22,704,207	328,995	22,375,212	22,375,212
Deposits	2,600,927	0	2,600,927	2,600,927
	<u>91,149,710</u>	<u>328,995</u>	<u>90,820,715</u>	<u>90,820,715</u>

7 Contractual obligations and contingencies, etc.

Other contingent liabilities

The company has no contingent liabilities and contingent obligations as of 31 December 2023.

8 Security and collateral

Land and buildings at a carrying amount of DKK 122,000,000 at 31 December 2023 have been put up as security for debt to mortgage credit institutions.

Financial statements 1 January - 31 December

Notes to the financial statements

9 Related parties

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Erikoissijoitusrahasto CapMan Nordic Property Income Fund	Finland	PL 210, FI - 40101 Jyväskylä, Finland

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

Salokoski Juha Matti

Board of Directors

On behalf of: Company

Serial number:

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2024-02-26 08:27:38 UTC



Peter Gill

Chairman of the meeting

On behalf of: Company

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

IP: 152.115.xxx.xxx

2024-02-26 09:32:06 UTC



Peter Gill

Chairman

On behalf of: Company

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

IP: 152.115.xxx.xxx

2024-02-26 09:32:06 UTC



Hasse Lyngsie Wulff

CEO

On behalf of: Company

Serial number: fcc423e5-34bf-4fff-91ef-efa62f85f241

IP: 152.115.xxx.xxx

2024-02-26 11:04:42 UTC



Hasse Lyngsie Wulff

Board of Directors

On behalf of: Company

Serial number: fcc423e5-34bf-4fff-91ef-efa62f85f241

IP: 152.115.xxx.xxx

2024-02-26 11:04:42 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

IP: 165.225.xxx.xxx

2024-02-26 11:12:09 UTC



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