Viga RE A/S

Ved Stranden 16, st. th, 1061 Copenhagen

Company reg. no. 41 85 11 12

Annual report

1 January - 31 December 2023

The annual report was submitted and approved by the general meeting on the 13 May 2024.

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Mikael Philip Schmidt
Chairman of the meeting

Notice to investors in Switzerland
The fund may only be offered in Switzerland to Qualified Investors within the meaning of Article 10 CISA
The legal documentation (e.g. the Shareholders' Agreement and any supplements thereto etc.) as well as the annual and semi-annual reports of the Fund, if any, are available only to Qualified Investors free of charge from the Representative. In respect of the Shares offered in Switzerland to Qualified Investors, place of performance is at the registered office of the Swiss Representative. The place of jurisdiction is at the registered office of the Swiss Representative or at the registered office or place of residence of the investor.

Swiss Representative: FIRST INDEPENDENT FUND SERVICES LTD, Feldeggstrasse 12, CH-8008 Zurich.

Swiss Paying Agent: NPB Neue Privat Bank AG, Limmatquai 1 / am Bellevue, P.O. Box, CH-8024 Zurich.

The country of domicile of the fund is Denmark

Contents

Notes:
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance EUR 146.940 means the amount of EUR 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Viga RE A/S for the financial year 1 January - 31 December 2023.

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

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group and the Company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a true and 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, 21 March 2024

Managing Director

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Christian Augustinus Glæmose
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Christian Augustinus Glæmose

Board of directors

DocuSigned by:
Niels Heering
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Niels Thomas Heering
Chairman

DocuSigned by:
Rolf Furrer
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Rolf Furrer

DocuSigned by:
Adrian Schenker
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Adrian Schenker

DocuSigned by:
Tonny Elsberg
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Tonny Elsberg

Independent auditor's report

To the Shareholders of Viga RE A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Viga RE A/S for the financial year 1 January to 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity, notes and a summary of significant accounting policies for both the Group the Parent Company. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 31 December 2023, and of the results of the Group and 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 Consolidated Financial Statements and the Parent Company Financial Statements” section of our report. We are independent of the Group 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.

Management’s Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company 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 consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group´s and the Parent 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 consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or 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 Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company 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 consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company 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 Group´s and 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 consolidated financial statements and the parent company 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 Group´s and 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 consolidated financial statements and the parent company 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 Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the consolidated financial statements and the parent company 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 Statement Act. We did not identify any material misstatement of Management's Review.

Copenhagen, 21 March 2024

Grant Thornton
Certified Public Accountants
Company reg. no. 34 20 99 36

DocuSigned by:
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Claus Koskelin
State Authorised Public Accountant
mne30140

Company information

The company	Viga RE A/S Ved Stranden 16, st. th 1061 Copenhagen	
	Web site	www.vigarealestate.com
	Company reg. no.	41 85 11 12
	Established:	12 November 2020
	Domicile:	Copenhagen
	Financial year:	1 January 2023 - 31 December 2023
Board of directors	Niels Thomas Heering, Chairman Rolf Furrer Adrian Schenker Tonny Elsberg	
Managing Director	Christian Augustinus Glæemose	
Auditors	Grant Thornton, Godkendt Revisionspartnerselskab Stockholmsgade 45 2100 København Ø	
Subsidiary	VRE J ApS, København VRE N ApS, København	

Management´s review

Description of key activities of the company

Viga RE A/S is a property investment group with clear focus on core/core+ residential properties in the Copenhagen area with central locations and low vacancy risk.

We believe Copenhagen offers sustainable long term economic and population growth. The Copenhagen real estate market is considered a 'safe haven' with high international demand - in particular for core residential properties.

Our investment strategy is based on careful in-depth due diligence, intensive hands-on management, and leveraging our extensive network within the property and financial industries.

Management, administration and corporate finance services are delivered by Viga RE Management ApS on a long term basis. Viga RE Management ApS is registered at the Danish Financial Supervisory Authority as manager of alternative investment funds (FAIF).

For further information, see www.vigarealestate.com

Development in activities and financial matters

The group was established in 2021 with the acquisition of the first 6 properties in April 2021. By the end of 2023, a total of 22 properties are owned in the Copenhagen area. The properties have performed according to plan and in addition a value adjustment has been recognized according to external independent valuation according to the RICS Appraisal and Valuation Standards. The value adjustment corresponds market trends for the Copenhagen area.

The revenue for the parent company for the year totals t.EUR 922 against t.EUR 334 last year. Loss from ordinary activities after tax totals t.EUR -1.595 against a profit of t.EUR 68 last year. Management considers the net loss for the year unsatisfactory.

The revenue for the group for the year totals t.EUR 12.489 against t.EUR 8.024 last year. Income from ordinary activities after tax totals t.EUR 2 against t.EUR 129 last year. Management considers the net profit for the year unsatisfactory, primarily due to rising interest rates affecting the valuation of the companys portfolio of properties.

Expected developments

The properties are expected to perform stable and robust NOI according to plan in the coming years. Interest rates are expected to be stable in the coming year.

Management´s review

Sustainability

In 2022, VIGA RE A/S adopted its ESG Policy and associated processes to improve the management of environmental, social and governance issues within the entity. The policy defines specific objectives for these sustainability areas and for the integration of ESG factors in the organization.

As a result, the entity has undertaken ESG risk screenings of portfolio assets and partner organizations, performed technical building assessment and structured internal performance monitoring processes.

In 2024, VIGA RE A/S aims to further develop its sustainability management system and its position as a responsible investor. The entity therefore participate in the GRESB Assessment and has a membership in the UN PRI and the UN Global Compact alliances.

Events occurring after the end of the financial year

No events have occurred after year end, with impact on the financial statement. It is the group’s purpose to acquire additional properties within focus. Negotiations regarding such acquisitions are consistently ongoing.

Income statement 1 January - 31 December

EUR thousand.

Note		Group 2023	Group 2022	Parent 2023	Parent 2022
	Revenue	12.489	8.024	922	334
	Other external expenses	-2.389	-2.086	-3.028	-1.745
	Costs concerning investment property	-2.471	-2.102	0	0
	Value adjustment of investment property	-8.091	-405	0	0
	Gross profit	**-462**	**3.431**	**-2.106**	**-1.411**
	Income from investments in group enterprises	0	0	0	1.163
	Other financial income from group enterprises	0	0	0	55
	Other financial income	8.065	0	61	0
	Other financial expenses	-7.420	-2.413	0	-48
	Pre-tax net profit or loss	**183**	**1.018**	**-2.045**	**-241**
	Tax on net profit or loss for the year	-181	-889	450	309
	Net profit or loss for the year	**2**	**129**	**-1.595**	**68**
	Break-down of the consolidated profit or loss:				
	Shareholders in Viga RE A/S	2	129		
		2	**129**		
	Proposed distribution of net profit:				
	Transferred to retained earnings			0	68
	Allocated from retained earnings			-1.595	0
	Total allocations and transfers			**-1.595**	**68**

Balance sheet at 31 December

EUR thousand.

Note	Assets	Group 2023	Group 2022	Parent 2023	Parent 2022
	Non-current assets				
1	Investment properties	302.835	258.731	0	0
	Total property, plant, and equipment	302.835	258.731	0	0
2	Investments in group enterprises	0	0	103.355	82.188
	Total investments	0	0	103.355	82.188
	Total non-current assets	**302.835**	**258.731**	**103.355**	**82.188**
	Current assets				
	Trade receivables	247	123	202	0
	Receivables from group enterprises	0	0	0	12.829
	Income tax receivables	28	103	171	98
	Tax receivables from group enterprises	0	0	2.276	580
	Other receivables	217	444	28	234
	Prepayments	0	104	11	0
	Total receivables	492	774	2.688	13.741
	Cash and cash equivalents	12.255	8.001	4.421	168
	Total current assets	**12.747**	**8.775**	**7.109**	**13.909**
	Total assets	**315.582**	**267.506**	**110.464**	**96.097**

Balance sheet at 31 December

EUR thousand.

Equity and liabilities

Note		Group 2023	Group 2022	Parent 2023	Parent 2022
	Equity				
3	Contributed capital	8.221	7.089	8.221	7.089
	Retained earnings	28.415	24.009	19.658	16.803
	Equity before non-controlling interest.	36.636	31.098	27.879	23.892
	Total equity	**36.636**	**31.098**	**27.879**	**23.892**
	Provisions				
4	Provisions for deferred tax	12.654	12.668	0	0
5	Other provisions	1.332	1.565	0	0
	Total provisions	**13.986**	**14.233**	**0**	**0**
	Liabilities other than provisions				
	Shareholder loan	82.209	70.893	82.209	70.893
	Mortgage debt	173.860	135.993	0	0
6	Total long term liabilities other than provisions	256.069	206.886	82.209	70.893
6	Current portion of long term liabilities	1.623	1.814	0	0
	Bank loans	0	5.541	0	0
	Deposits and Prepayments from tenants	5.128	3.505	0	0
	Trade payables	138	1.181	22	958
	Income tax payable to group enterprises	0	0	117	0
	Other payables	2.002	3.248	237	354
	Total short term liabilities other than provisions	8.891	15.289	376	1.312
	Total liabilities other than provisions	**264.960**	**222.175**	**82.585**	**72.205**
	Total equity and liabilities	**315.582**	**267.506**	**110.464**	**96.097**

7 Disclosures on fair value

8 Charges and security

9 Contingencies

Consolidated statement of changes in equity

EUR thousand.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2023	7.089	0	24.009	31.098
Cash capital increase	1.132	4.499	0	5.631
Profit or loss for the year brought forward	0	0	2	2
Transferred to retained earnings	0	-4.499	4.499	0
Exchange rate adjustment	0	0	-75	-75
Cost of capital contribution	0	0	-20	-20
	8.221	**0**	**28.415**	**36.636**

Statement of changes in equity of the parent

EUR thousand.

	Contributed capital	Share premium	Retained earnings	Total
Equity 1 January 2023	7.089	0	16.803	23.892
Cash capital increase	1.132	4.499	0	5.631
Profit or loss for the year brought forward	0	0	-1.595	-1.595
Transferred to retained earnings	0	-4.499	4.499	0
Exchange rate adjustment	0	0	-29	-29
Cost of capital contribution	0	0	-20	-20
	8.221	**0**	**19.658**	**27.879**

Notes

EUR thousand.

	Group 31/12 2023	31/12 2022
1. Investment properties		
Cost 1 January	201.433	104.085
Additions during the year	52.171	98.788
Disposals during the year	-908	-1.440
Cost 31 December	**252.696**	**201.433**
Fair value adjustment 1 January	57.298	8.743
Adjust of the year to fair value	-7.159	48.555
Fair value adjustment 31 December	**50.139**	**57.298**
Carrying amount, 31 December	**302.835**	**258.731**

The measurement of properties is made using a returnbased cash flow model based on expected future net cash flows over a period of 10-20 years. The required rate of return is determined by an external assessor. The fair value measurement is made on the basis of estimated rental income and expected operating costs, including scheduled maintenance. Cash flows beyond the 10th year (terminal value) is determined according to a netrent model based on the 10th year, but at average estimates as to vacant periods, improvement costs, major maintenance vosts, and investments. Cash flows from each year and the value of the terminal year are discounted with the required rate of return determined for each individual property with addition of inflation.

Comnpared to the previous financial year, the methods of measurement remain unchanged.

The material, nonobservable inputs in relation to the calculation of the fair value are:

	31/12 2023
Budget period (years)	10-20
Rental and cost increase	2,00%
Net initial yield	3,29-5,14%

Notes

EUR thousand.

		Parent	
		31/12 2023	31/12 2022
2.	**Investments in group enterprises**		
	Acquisition sum, opening balance 1 January	82.188	26.216
	Additions during the year	21.167	82.188
	Disposals during the year	0	-26.216
	Cost 31 December	**103.355**	**82.188**
	Carrying amount, 31 December	**103.355**	**82.188**

Financial highlights for the enterprises according to the latest approved annual reports

EUR in thousands	**Equity interest**	**Equity**	**Results for the year**	**Carrying amount, Viga RE A/S**
VRE J ApS, København	100 %	48.419	-1	48.586
VRE N ApS, København	100 %	32.787	-144	54.769
		81.206	**-145**	**103.355**

		Group		Parent	
		31/12 2023	31/12 2022	31/12 2023	31/12 2022
3.	**Contributed capital**				
	Contributed capital 1 January	7.089	2.783	7.089	2.783
	Cash capital increase	1.132	4.306	1.132	4.306
		8.221	**7.089**	**8.221**	**7.089**

The contributed capital consists of 61.281.022 shares of DKK 1 (t.EUR is 8.221)

There has been following changes in the capital:
April 12 2023: Cash capital increase of t.EUR 1.132 at exchangerate 745,43

Notes

EUR thousand.

		Group 31/12 2023	Group 31/12 2022
4.	**Provisions for deferred tax**		
	Provisions for deferred tax 1 January	12.668	7.962
	Deferred tax of the results for the year	-14	4.706
		12.654	**12.668**
	The following items are subject to deferred tax:		
	Property, plant, and equipment	13.759	12.746
	Current assets	-6	-5
	Amortization borrowing costs	-30	-6
	Net capital loss balance	-50	-65
	Losses carried forward from previous years	-1.019	-2
		12.654	**12.668**

5. Other provisions

Provision have been made for anticipated cost relating to the acquisition of properties.

6. Long term labilities other than provisions

	Total payables 31 Dec 2023	Current portion of long term payables	Long term payables 31 Dec 2023	Outstanding payables after 5 years
Group				
Shareholder loan	82.209	0	82.209	82.209
Mortgage debt	175.483	1.623	173.860	164.412
	257.692	**1.623**	**256.069**	**246.621**
Parent				
Shareholder loan	82.209	0	82.209	82.209
	82.209	**0**	**82.209**	**82.209**

Notes

EUR thousand.

7. Disclosures on fair value

Group

	Investment property
Fair value at 31 December	302.835
Unrealised change in fair value of the year recognised in the statement of financial activity	-7.159

8. Charges and security

As collateral for mortgage loans, t.EUR 175.483, security has been granted on land and buildings representing a carrying amount of t.EUR 302.834 at 31 December 2023.

9. Contingencies

Contingent liabilities

Joint taxation

The company acts as administration company for the group of companies subject to the Danish scheme of joint taxation and is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, to pay the total corporation tax.

The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding taxes, etc., may result in changes in the company's liabilities.

Accounting policies

The financial statement for Viga RE A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from the previous year, and the annual report is presented in euro (EUR).

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost, allowing a constant effective interest rate to be recognised during the useful life of the asset or liability. Amortised cost is recognised as the original cost less any payments, plus/less accrued amortisations of the difference between cost and nominal amount. In this way, capital losses and gains are allocated over the useful life of the liability.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

The consolidated financial statements

The consolidated income statements comprise the parent company Viga RE A/S and those group enterprises of which Viga RE A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Accounting policies

Consolidation policies
The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

In the consolidated financial statements, the accounting records of the group enterprises are recognised by 100%. The minority interests' share of the profit for the year and of the equity in the group enterprises, which are not 100% owned, is included in the group's profit and equity, but presented separately.

Purchases and sales of minority interests under continuing control are recognised directly in equity as a transaction between shareholders.

The group activities in joint operations are recognised in the consolidated financial statements record by record.

Non-controlling interests
Non-controlling interests constitute a share of the group's total equity. By distribution of net profit, profit or loss for the year is distributed on the share attributable to the non-controlling interests and the share attributable to the parent's shareholders respectively.

Income statement

Revenue
Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Rent income comprises income from the lease of property and from overhead costs collected and is recognised in the income statement for the priod relating to the lease payment. Income from the heating account is recognised in the statement of financial position as a balance with lesses.

Other external expenses
Other external costs comprise costs incurred for sales, administration and management.

Costs concerning investment properties
Costs concerning investment properties comprise operating costs, repair and maintenance costs, taxes, charges, and other costs.

Accounting policies

Value adjustment of investment property

Value adjustment of investment property comprises value adjustments of properties at fair value and profit or loss from the disposal of properties.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises

Dividend from investments in group enterprises is recognised in the financial year in which the dividend is declared.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The parent and the Danish group enterprises are subject to Danish rules on compulsory joint taxation of Danish group enterprises. The parent acts as an administration company in relation to the joint taxation. This means that the total Danish income tax payable by the Danish group companies is paid to the tax authorities by the company.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Investment properties

At the initial recognition, investment property is measured at cost, comprising the cost of the property and directly associated costs including legal, accounting and corporate finance success fees, if any.

Hereafter, investments are measured individually on the basis of a retunr-based cash flow model based on expected future net cash flows over a period of 10 years. The required rate of return is determined by an external asessor. Fair value measurement is made on the basis of estimated lease income and expected operating costs, including scheduled maintenance. Compared to the previous financial year, the method of measurement remains unchanged.

Costs adding new or improved qualities to an investment property compared to its condition at the time of acquisition, thereby improving the future return on the property, are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognized in the income statement under the item ”Costs concerning investment property”.

Like other property, plant, and equipment except for land, investment property has a limited economic life. The impairment taking place concurrently with the ageing of the investment property is reflected in the continuing measurement of the investment property at fair value.

Accounting policies

Value adjustments are recognized in the income statement under the item ”Value adjustments of property”.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured at cost. If the recoverable amount is lower than the cost price, it shall be written down for impairment to this lower value.

Impairment loss relating to non-current assets

The carrying amount of equity investments in group entreprises are subject to annual impariment test in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. Write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

Accounts receivable for which there is no objective indication of impairment at the individual level are evaluated at portfolio level for objective indication of impairment. The portfolios are primarily based on the debtors' domicile and credit rating in accordance with the company's and the group's credit risk management policy. Determination of the objective indicators applied for portfolios are based on experience with historical losses.

Impairment losses are calculated as the difference between the carrying amount of accounts receivable and the present value of the expected cash flows, including the realisable value of any securities received. The effective interest rate for the individual account receivable or portfolio is used as the discount rate.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Income tax and deferred tax

As administration company, Viga RE A/S is liable to the tax authorities for the subsidiaries' corporate income taxes.

Accounting policies

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as ”Tax receivables from group enterprises" or "Income tax payable to group enterprises"

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Provisions

Provisions comprise expected costs of commitments etc. Provisions are recognised when the group has a legal or actual commitment resulting from a previously occurred event and when it is probable that the settlement of the liability will result in consumption of the financial resources of the group.

Provisions are measured at net realisable value or at fair value. If the fulfilment of a liability is expected to take place far in the future, the liability is measured at fair value.

Provisions with an expected due date later than 1 year from the reporting date are discounted at a rate reflecting risk and maturity of the liability.

Liabilities other than provisions

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.