

DEREIF Copenhagen V ApS

c/o DEAS A/S
Dirch Passers Allé 76
2000 Frederiksberg

CVR No. 41912804

Annual Report 2020/21

1. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 18 January 2022

Jean Wantz
Chairman

DEREIF Copenhagen V ApS

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Management's Statement

Today, Management has considered and adopted the Annual Report of DEREIF Copenhagen V ApS for the financial year 4 December 2020 - 30 September 2021.

The Annual Report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the assets, liabilities and financial position of the Company at 30 September 2021 and of the results of the Company's operations for the financial year 4 December 2020 - 30 September 2021.

In our opinion, the Management's Review includes a true and fair account of the matters addressed in the review.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Frederiksberg, 18 January 2022

Executive Board

Charles Ernest Franck Marie Meyer
Manager

Joachim Matthias Gallus
Manager

Jean Wantz
Manager

Hans Bernd Jakob Zens
Manager

Independent Auditors' Report

To the shareholders of DEREIF Copenhagen V ApS

Opinion

We have audited the financial statements of DEREIF Copenhagen V ApS for the financial year 4 December 2020 - 30 September 2021, which comprise an income statement, balance sheet, statement of changes in equity and notes. 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 Company's financial position at 30 September 2021 and of the results of its operations for the financial year 4 December 2020 - 30 September 2021 in accordance with the Danish Financial Statements Act.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in our auditors' report under "Auditors' responsibility for the audit of the financial statements". As required by the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, we are independent of the Company, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility 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 considers 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 either liquidate the Company or suspend 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 economic decisions of users taken on the basis of these financial statements.

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

- * Identify and assess the risk of material misstatements in 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 a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Auditors' Report

- * Evaluate whether the accounting policies used are appropriate and whether the accounting estimates and the related disclosures made by Management are reasonable.
- * Conclude on whether Management's use of the going concern basis of accounting in preparing the financial statements is appropriate and, based on the audit evidence obtained, conclude on whether a material uncertainty exists relating to events or conditions, which could 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 auditors' 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 auditors' report. However, future events or conditions may imply that the Company can no longer remain a going concern.
- * Evaluate the overall presentation, structure and contents of the financial statements, including note disclosures, and whether the financial statements reflect 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 which we identify during our audit.

Statement on Management's Commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, 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 commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 18 January 2022

Deloitte Statsautoriseret

Revisionspartnerselskab

CVR-no. 33963556

Thomas Hermann

State Authorised Public Accountant

mne26740

DEREIF Copenhagen V ApS

Company details

Company	DEREIF Copenhagen V ApS c/o DEAS A/S Dirch Passers Allé 76 2000 Frederiksberg
CVR No.	41912804
Date of formation	4 December 2020
Registered office	Frederiksberg
Executive Board	Charles Ernest Franck Marie Meyer, Manager Joachim Matthias Gallus, Manager Jean Wantz, Manager Hans Bernd Jakob Zens, Manager
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S CVR-no.: 33963556

Management's Review

The Company's principal activities

The objective of the Company is to acquire real estate properties for investment purposes.

Development in activities and the financial situation

The Company's Income Statement of the financial year 4 December 2020 - 30 September 2021 shows a result of DKK 8.420.157 and the Balance Sheet at 30 September 2021 a balance sheet total of DKK 478.466.452 and an equity of DKK 99.660.157.

It is the company's first financial year.

Post financial year events

After the end of the financial year, no events have occurred which may change the financial position of the entity substantially, except of the extension of the bridge loan.

Accounting Policies

Reporting Class

The Annual Report of DEREIF Copenhagen V ApS for 2020/21 has been presented in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, with the adoption of individual rules from class C.

As the financial year 2020/21 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The Annual Report is presented in Danish kroner.

General Information

Basis of recognition and measurement

The financial statements have been prepared under the historical cost principle.

Income is recognised in the Income Statement as it is earned, including value adjustments of financial assets and liabilities that are measured at fair value or amortised cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the Income Statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the Income Statement.

Assets are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will accrue to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits attributable to the asset will flow out of the 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 item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less repayments and with the addition/deduction of the accumulated amortisation of the difference between the cost and the nominal amount. This way, exchange losses and gains are allocated over the term.

In connection with recognition and measurement, consideration is given to predictable losses and risks occurring prior to the presentation of the Annual Report, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income Statement

Revenue

Revenue, comprising rental income, is recognised in the period which it relates.

Other external expenses

Other external costs include costs for administration, loss of debtors and other operating costs etc.

Fair value adjustment of investment assets and debts

Adjustments of investment assets measured at fair value are recognised as a separate item in the Income Statement.

Accounting Policies

Financial income and expenses

Financial income and expenses are recognised in the Income Statement based on the amounts that concern the financial year. Financial income and expenses include interest revenue and expenses, financial expenses of finance leases, realised and unrealised capital gains and losses regarding securities, accounts payable and transactions in foreign currencies, repayment on mortgage loans, and surcharges and allowances under the tax prepayment scheme.

Tax on net profit for the year

Tax on net profit/loss for the year comprises current tax on expected taxable income of the year and the year's adjustment of deferred tax less the part of the tax of the year that relates to changes in equity. Current and deferred tax regarding changes in equity is recognised directly in equity.

Tangible assets

Investment property

Investment property comprises investment in land and buildings for the purpose of achieving a return on the invested capital in the form of regular operating income and a capital gain on resale.

On initial recognition, investment properties are measured at cost, which comprises the cost of the property and any directly related expenses.

Investment properties are subsequently measured at their value. The fair value of the properties is reassessed annually based on the return-based valuation model.

The fair value is determined based on the net return on commercial properties located in the same geographical area as the properties. Net return is calculated taking into consideration the existing leases, the state of repair of the properties and the budget for the next year.

Net return is calculated as total rental income less direct costs for property taxes, insurance, maintenance and housing management incurred on the investment properties divided by the carrying amounts of the investment properties less deposits.

Change in fair value are recognised in the income statement under 'Value adjustment of investment properties'.

As the investment properties are measured at fair value, they are not depreciated.

Receivables

Receivables are measured at amortised cost which usually corresponds to the nominal value. The value is reduced by write-downs for expected bad debts.

Impairment of accounts receivables past due is established on individual assessment of receivables.

Accrued income, assets

Accrued income recognised in assets comprises prepaid costs regarding subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand as well as short-term securities with a term of less than three months which can be converted directly into cash at bank and in hand and involve only an insignificant risk of value changes.

Equity

Equity comprises the working capital and a number of equity items that may be statutory or stipulated in the articles of association.

Accounting Policies

Deferred tax

Deferred tax and the associated adjustments for the year are determined according to the balance-sheet liability method as the tax base of all temporary differences between carrying amounts and the tax bases of assets and liabilities.

Deferred tax assets, including the tax base of tax losses allowed for carry forward, are recognised at the value at which they are expected to be used, either by elimination in tax on future earnings or by set-off against deferred tax liabilities in enterprises within the same legal entity and jurisdiction.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Current tax liabilities

Current tax liabilities and current tax receivables are recognised in the Balance Sheet as calculated tax on the expected taxable income for the year, adjusted for tax on taxable income for previous years as well as for tax prepaid.

Liabilities

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest method, so that the difference between the proceeds and the nominal value is recognised in the Income Statement over the life of the financial instrument.

Mortgage debt is accordingly measured at amortised cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortised cost corresponds to the outstanding balance determined as the underlying cash value of the loans at the time of borrowing adjusted for amortisation of capital losses on the loans over the repayment period.

Other liabilities, comprising deposits, trade payables and other payable, are measured at amortised cost, which usually corresponds to the nominal value.

Income Statement

	Note	2020/21 kr.
Gross profit		10.907.811
Gains from current value adjustments of investment assets		4.443.896
Profit from ordinary operating activities		15.351.707
Finance expenses	1	-4.556.658
Profit from ordinary activities before tax		10.795.049
Tax on profit/loss for the year	2	-2.374.892
Profit		8.420.157
 Proposed distribution of results		
Proposed dividend recognised in equity		0
Retained earnings		8.420.157
Distribution of profit		8.420.157

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Balance Sheet as of 30 September

	Note	2021 kr.
Assets		
Investment property	3	457.400.000
Property, plant and equipment		457.400.000
Fixed assets		457.400.000
Short-term trade receivables		6.060.486
Other short-term receivables		18.318
Receivables		6.078.804
Cash and cash equivalents		14.987.648
Current assets		21.066.452
Assets		478.466.452

Balance Sheet as of 30 September

	Note	2021 kr.
Equity and liabilities		
Contributed capital		40.001
Retained earnings		99.620.156
Equity		99.660.157
Provisions for deferred tax	4	1.727.630
Provisions		1.727.630
Subordinate loan capital		142.000.000
Tax payables		647.262
Long-term liabilities other than provisions	5	142.647.262
Prepayments received from customers		4.724.242
Payables to shareholders and management		111.750
Other payables	6	223.135.104
Deposits, liabilities other than provisions		6.460.307
Short-term liabilities other than provisions		234.431.403
Liabilities other than provisions within the business		377.078.665
Equity and liabilities		478.466.452
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Statement of changes in Equity

	Contributed capital	Share premium	Retained earnings	Total
Share capital at establishment	40.000	0	0	40.000
Increase of capital	1	91.199.999	0	91.200.000
Profit (loss)	0	0	8.420.157	8.420.157
Transferred from share premium	0	-91.199.999	91.199.999	0
Equity 30 September 2021	40.001	0	99.620.156	99.660.157

Notes**1. Finance expenses**

	2020/21
Finance expenses arising from group enterprises	3.037.222
Other finance expenses	1.519.436
	<u>4.556.658</u>

2. Tax on profit/loss for the year

Current tax	647.262
Change in deferred tax	1.727.630
	<u>2.374.892</u>

3. Investment property

	2021
Addition during the year, incl. improvements	452.956.103
Cost at the end of the year	<u>452.956.103</u>
Revaluations for the year	4.443.897
Revaluations at the end of the year	<u>4.443.897</u>
Carrying amount at the end of the year	<u>457.400.000</u>

The company's investment properties are residential buildings with 10 offices, units located in the Carlsberg City District in Copenhagen. The investment properties, cf. the description of accounting policies, are measured at fair value based on a discounted cash flow valuation model.

Yield, which are the basis for the terminal value and discount rate is fixed for the individual properties in consideration of location, condition, tenant mix, non-terminability profile, tenants' standing and on an estimate of how the general property market is developing.

Yield used for the valuation at 30 September 2021 is 3.6% for each property. An increase in the required rate of return by 0.5% points will reduce the fair value by approx. 56 mio.DKK in total.

A decrease in the required rate of return by 0.5% will increase the fair value by approx. 74 mio.DKK in total. An external appraiser has been used to determine the fair value of the properties.

4. Provisions for deferred tax

	2021
Deferred tax	1.727.630
Balance at the end of the year	<u>1.727.630</u>

Notes

5. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Payables to group enterprises	142.000.000	0	142.000.000
Tax payables	647.262	0	0
	<u>142.647.262</u>	<u>0</u>	<u>142.000.000</u>

6. Other payables

VAT	-139.065
Interest	-1.293.559
Bridge loan	-221.618.726
Other payables	-83.754
	<u>-223.135.104</u>

The bridge loan and interest has been lent from DEVK Rückversicherungs und Beteiligungs AG – DEVK RE. The bridge loan has been extended until September 30, 2022.

7. Related parties

The financial statements of Dereif Copenhagen V ApS is included in the consolidated financial statements of DEREIF SICAV – FIS, 31-33 Rue de Hollerich, L-1741 Luxemburg, where they can be obtained.

8. Working conditions

The entity has no employees.