SOF-12 Skt. Petri Bidco ApS

c/o Cobblestone A/S, Gammel Køge Landevej 57, 3., DK-2500 Valby

Annual Report for 2023

CVR No. 41 94 97 75

The Annual Report was presented and adopted at the Annual General Meeting of the company on 6/8 2024

Mette Pii
Chairman of the general meeting

Contents

Management's statement

The Executive Board and Board of Directors have today considered and adopted the Annual Report of SOF-12 Skt. Petri Bidco ApS for the financial year 1 January - 31 December 2023.

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

In our opinion the Financial Statements and the Consolidated Financial Statements give a true and fair view of the financial position at 31 December 2023 of the Company and the Group and of the results of the Company and Group operations and of consolidated cash flows for 2023.

In our opinion, 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.

Valby, 6 August 2024

Executive Board

Mette Pii
CEO

Board of Directors

Christopher Scott Harrison Penny Chairman	Marianne Kildahl Olsen

Independent Auditor's report

To the shareholder of SOF-12 Skt. Petri Bidco ApS

Opinion

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's and the Parent Company's operations and of consolidated cash flows for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of SOF-12 Skt. Petri Bidco ApS for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as consolidated statement of cash flows ("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 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.

Statement on 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 Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Consolidated Financial Statements and the Parent Company 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 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 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 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 Financial Statements unless Management either intends to liquidate the Group or the Parent 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 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 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 Group´s and the Parent 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 Group´s and the Parent 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 Group and the Parent 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.

- 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.

Independent Auditor's report

Hellerup, 6 August 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Bo Schou-Jacobsen
State Authorised Public Accountant
mne28703

Qasam Hussain
State Authorised Public Accountant
mne44159

Company information

The Company	SOF-12 Skt. Petri Bidco ApS c/o Cobblestone A/S Gammel Køge Landevej 57, 3. DK-2500 Valby
	CVR No: 41 94 97 75
	Financial period: 1 January - 31 December
	Incorporated: 16 December 2020
	Financial year: 4th financial year
	Municipality of reg. office: Copenhagen
Board of Directors	Christopher Scott Harrison Penny, chairman Marianne Kildahl Olsen
Executive Board	Mette Pii
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights

Seen over a 3-year period, the development of the Group is described by the following financial highlights:

	Group		
	2023	2022	2021
	TDKK	TDKK	TDKK
Key figures			
Profit/loss			
Gross profit	76,700	63,576	52,542
Profit/loss of primary operations	-38,280	-19,316	350,447
Profit/loss of financial income and expenses	-88,290	-16,753	-71,919
Net profit/loss for the year	-134,720	-29,207	202,132
Balance sheet			
Balance sheet total	1,418,876	1,498,411	1,448,648
Investment in property, plant and equipment	47,544	30,270	29,894
Equity	243,349	378,069	371,910
Cash flows			
Cash flows from:			
- operating activities	72,485	-61,555	19,228
- investing activities	-49,336	-66,995	-966,157
- financing activities	-40,253	116,521	985,330
Change in cash and cash equivalents for the year	-17,104	-12,029	38,401
Number of employees	90	83	0
Ratios			
Return on assets	-2.7%	-1.3%	24.2%
Solvency ratio	17.2%	25.2%	25.7%
Return on equity	-43.4%	-7.8%	108.7%

Management's review

Key activities

The Group owns two properties in Copenhagen of which one is the Hotel Skt. Petri. As of 1 April 2023, the Group also operates the hotel.

Thus, the Group owns one owner occupied property and one investment property.

Development in the year

The income statement of the Group for 2023 shows a loss of TDKK 134,720, and at 31 December 2023 the balance sheet of the Group shows positive equity of TDKK 243,349.

In October 2023 the Group commenced a phased refurbishment of the hotel and by 31 December 2023 works had commenced in 54 of the 287 bedrooms. Works are expected to continue into Summer 2025. Management considers the profit or loss for the year as expected.

Capital resources

The Parent Company has issued a letter of support. We refer to note 1.

Market risks

Entering 2023 the impact of Covid-19 is no longer a consideration on levels of business in the Copenhagen hotel market. Since 2019 a number of new hotels have opened in the Copenhagen market, increasing competition, however few of these are in the luxury segment and the Skt Petri Hotel is performing in-line with 2019 levels despite the higher supply in the market.

The real estate market is cyclical in nature. Investment values are affected by, among other things, the availability of capital, occupancy rates, rental rates, interest rates and inflation rates. Europe has been impacted by growing geopolitical tensions – in particular the ongoing war in Ukraine and the Israel/Hamas conflict – and continued inflationary pressure. While inflationary pressures have eased worldwide, it remains above the ECBs medium-term target of 2%. Markets are currently pricing in 3 rate cuts over 2024 but expecting levels to remain elevated vs. historic.

At the time of signing the annual report 2023 we see strong levels of demand for hotel rooms in Copenhagen with strong demand from American and Asian travelers, that is expected to continue through the rest of 2024 and into 2025.

Targets and expectations for the year ahead

For the year 2023, Management's expectation was that the company would make a loss after tax of approximately DKK 15 million as a result of the commencement of refurbishment works at the hotel property. The actual loss of DKK 135 million was larger than expected, predominantly driven by negative value adjustment on investment property, negative fair value movement of SWAPs and costs incurred as a result of an acceleration of the hotel refurbishment works.

For the year 2024, Management expects a consolidated loss after tax (before value adjustments of assets held for investment) of approximately DKK 85 million. The loss is a result of the hotel being undergoing a planned refurbishment which will result in fewer rooms available for sale whilst having to cover the full interest payments on the third party loan. The planned refurbishment is due to complete by Summer 2025 and the business to generate a profit afterwards.

Intellectual capital resources

The Group's earnings are not materially dependent on intellectual capital resources.

Management's review

Uncertainty relating to recognition and measurement

In connection with the preparation of the Financial Statements, Management perform estimates and judgements, which may entail a risk of material adjustments.
Reference is made to note 11 Assets measured at fair value.

Unusual events

The financial position at 31 December 2023 and the results of the activities and cash flows for the financial year have not been affected by any unusual events.

Subsequent events

Reference is made to note 24.

Income statement 1 January - 31 December

	Note	Group		Parent company	
		2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Gross profit before value adjustments		**76,700**	**63,576**	**-2,347**	**-6,911**
Value adjustments of assets held for investment	2	-41,100	-20,205	0	0
Gross profit after value adjustments		**35,600**	**43,371**	**-2,347**	**-6,911**
Staff expenses	3	-44,613	-33,554	0	0
Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment	4	-29,267	-29,133	0	0
Profit/loss before financial income and expenses		**-38,280**	**-19,316**	**-2,347**	**-6,911**
Income from investments in subsidiaries	5	0	0	-44,139	0
Financial income	6	1,351	6	1,789	9,507
Financial expenses	7	-89,641	-16,759	-7,045	-16,935
Profit/loss before tax		**-126,570**	**-36,069**	**-51,742**	**-14,339**
Tax on profit/loss for the year	8	-8,150	6,862	-2,116	1,803
Net profit/loss for the year	9	**-134,720**	**-29,207**	**-53,858**	**-12,536**

Balance sheet 31 December

Assets

		Group		Parent company	
	Note	2023	2022	2023	2022
		TDKK	TDKK	TDKK	TDKK
Goodwill		30,556	32,764	0	0
Intangible assets	10	**30,556**	**32,764**	**0**	**0**
Land and buildings	12	1,201,435	1,173,672	0	0
Investment properties	11	134,100	175,200	0	0
Other fixtures and fittings, tools and equipment	12	32,160	37,646	0	0
Property, plant and equipment		**1,367,695**	**1,386,518**	**0**	**0**
Investments in subsidiaries	13	0	0	269,423	311,712
Receivables from group enterprises		0	0	138,057	137,862
Fixed asset investments		**0**	**0**	**407,480**	**449,574**
Fixed assets		**1,398,251**	**1,419,282**	**407,480**	**449,574**
Inventories	14	**581**	**857**	**0**	**0**
Trade receivables		2,774	5,757	0	0
Other receivables		8,345	38,577	1,924	1,313
Deferred tax asset	17	0	6,116	0	2,116
Prepayments	16	1,477	1,450	0	0
Receivables		**12,596**	**51,900**	**1,924**	**3,429**
Cash at bank and in hand		**7,448**	**26,372**	**100**	**4,688**
Current assets		**20,625**	**79,129**	**2,024**	**8,117**
Assets		**1,418,876**	**1,498,411**	**409,504**	**457,691**

Balance sheet 31 December

Liabilities and equity

	Note	Group 2023	Group 2022	Parent company 2023	Parent company 2022
		TDKK	TDKK	TDKK	TDKK
Share capital		1,040	1,040	1,040	1,040
Retained earnings		242,309	377,029	132,807	186,665
Equity		**243,349**	**378,069**	**133,847**	**187,705**
Provision for deferred tax	17	208,205	204,958	0	0
Provisions		**208,205**	**204,958**	**0**	**0**
Credit institutions		663,132	661,898	0	0
Payables to group enterprises		274,878	229,086	273,587	266,346
Other payables		0	767	0	0
Long-term debt	18	**938,010**	**891,751**	**273,587**	**266,346**
Trade payables		20,977	15,887	232	3,185
Payables to group enterprises	18	0	0	1,422	0
Corporation tax		0	1,213	0	0
Other payables	18	7,355	5,184	416	455
Deferred income	19	980	1,349	0	0
Short-term debt		**29,312**	**23,633**	**2,070**	**3,640**
Debt		**967,322**	**915,384**	**275,657**	**269,986**
Liabilities and equity		**1,418,876**	**1,498,411**	**409,504**	**457,691**

Capital Ressources	1
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Statement of changes in equity

Group

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	1,040	377,029	378,069
Net profit/loss for the year	0	-134,720	-134,720
Equity at 31 December	**1,040**	**242,309**	**243,349**

Parent company

	Share capital	Retained earnings	Total
	TDKK	TDKK	TDKK
Equity at 1 January	1,040	186,665	187,705
Net profit/loss for the year	0	-53,858	-53,858
Equity at 31 December	**1,040**	**132,807**	**133,847**

Cash flow statement 1 January - 31 December

		Group	
	Note	2023	2022
		TDKK	TDKK
Result of the year		-134,720	-29,207
Adjustments	20	166,807	59,229
Change in working capital	21	40,398	-74,821
Cash flow from operations before financial items		**72,485**	**-44,799**
Financial income		0	6
Financial expenses		0	-16,762
Cash flows from operating activities		**72,485**	**-61,555**
Purchase of intangible assets		-1,791	-36,404
Purchase of property, plant and equipment		-47,545	-30,591
Cash flows from investing activities		**-49,336**	**-66,995**
Repayment of mortgage loans		-21	0
Repayment of loans from credit institutions		1,234	0
Repayment of payables to group enterprises		0	-586,465
Repayment of other long-term debt		-809	0
Raising of loans from credit institutions		0	661,898
Raising of payables to group enterprises		45,792	0
Raising of other long-term debt		0	5,723
Cash capital increase		0	35,365
Financial income		1,351	0
Financial expenses		-87,800	0
Cash flows from financing activities		**-40,253**	**116,521**
Change in cash and cash equivalents		**-17,104**	**-12,029**
Cash and cash equivalents at 1 January		26,372	38,401
Exchange adjustments		-1,820	0
Cash and cash equivalents at 31 December		**7,448**	**26,372**
Cash and cash equivalents are specified as follows:			
Cash at bank and in hand		7,448	26,372
Cash and cash equivalents at 31 December		**7,448**	**26,372**

Notes to the Financial Statements

1. Capital Ressources

In order to meet the potential liabilities arising from the subsidiaries, the ultimate parent company of the Group, SOF-12 International SCSp, has issued a Letter of Support to SOF-12 Skt. Petri Bidco ApS Group. On this basis, it is Management's assessment that the capital resources are sufficient and therefore submits the Annual Report on the assumption of going concern. The Letter of Support is effective until June 2025.

2. Value adjustments of investment assets

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Value adjustment for the year	-41,100	-20,205	0	0
	-41,100	**-20,205**	**0**	**0**

3. Staff Expenses

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Wages and salaries	40,075	30,616	0	0
Pensions	3,760	2,507	0	0
Other social security expenses	340	153	0	0
Other staff expenses	438	278	0	0
	44,613	**33,554**	**0**	**0**

Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act. The Board of Directors have not received any remuneration.

Average number of employees	**90**	**83**	**0**	**0**

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
4. Amortisation, depreciation and impairment losses of intangible assets and property, plant and equipment				
Amortisation of intangible assets	3,999	3,640	0	0
Depreciation of property, plant and equipment	25,268	25,493	0	0
	29,267	**29,133**	**0**	**0**
Which is specified as follows:				
Amortisation - Goodwill	3,999	3,640	0	0
Depreciation - Buildings	19,193	19,193	0	0
Depreciation - Other fixtures and fittings, tools and equipment	6,075	6,300	0	0
	29,267	**29,133**	**0**	**0**

	Parent company 2023 TDKK	Parent company 2022 TDKK
5. Income from investments in subsidiaries		
Impairment of shares in subsidiaries, cf. note 13	-44,139	0
	-44,139	**0**

	Group 2023 TDKK	Group 2022 TDKK	Parent company 2023 TDKK	Parent company 2022 TDKK
6. Financial income				
Interest received from group enterprises	0	0	1,783	9,507
Other financial income	1,351	6	6	0
	1,351	**6**	**1,789**	**9,507**

Notes to the Financial Statements

7. Financial expenses

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Interest paid to group enterprises	5,485	6,023	5,622	6,426
Interest on bank loans	48,334	0	0	0
Interest on derivative contracts	5,508	0	0	0
Fair value movement of SWAP	28,585	0	0	0
Other financial expenses	1,729	10,736	1,423	10,509
	89,641	**16,759**	**7,045**	**16,935**

8. Income tax expense

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Current tax for the year	-647	1,213	0	0
Deferred tax for the year	8,797	-8,075	2,116	-1,803
	8,150	**-6,862**	**2,116**	**-1,803**

9. Profit allocation

	Parent company	
	2023	2022
	TDKK	TDKK
Retained earnings	-53,858	-12,536
	-53,858	**-12,536**

Notes to the Financial Statements

10. Intangible fixed assets
Group

	Goodwill
	TDKK
Cost at 1 January	36,404
Additions for the year	1,791
Cost at 31 December	38,195
Impairment losses and amortisation at 1 January	3,640
Amortisation for the year	3,999
Impairment losses and amortisation at 31 December	7,639
Carrying amount at 31 December	**30,556**

11. Assets measured at fair value
Group

	Investment properties
	TDKK
Cost at 1 January	163,332
Cost at 31 December	163,332
Value adjustments at 1 January	11,868
Revaluations for the year	-41,100
Value adjustments at 31 December	-29,232
Carrying amount at 31 December	**134,100**

Assumptions underlying the determination of fair value of investment properties

The fair value of investment properties at 31 December 2022 has been assessed by an independent assessor.

The fair value of Investment properties has been calculated based on the following assumptions:

	Group	
	2023	2022
Budget period	10 years	10 years
Exit Yield	5,6%	5.36%
Initial Yield	5,25 - 7,5%	4.75 - 7.5%
Growth in terminal period	2,0%	2,0%

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.

Sensitivity in determination of fair value of investment properties

In the fair value assessment as of December 31, 2023, an individually determined capitalization rate of 5,25 - 7,5% has been applied.

Changes in estimates of the required rate of return for the investment property will affect the recognized value of the investment property in the balance sheet as well as the valuation adjustment in the income statement.

Changes in	-0.25%	Base	0.25%
	TDKK	TDKK	TDKK
Rate of return	-0.25	0	0.25
Fair value	136,913	134,100	131,800
Change in fair value	2,813	0	-2,300

12. Property, plant and equipment

Group

	Land and buildings	Other fixtures and fittings, tools and equipment
	TDKK	TDKK
Cost at 1 January	1,192,865	118,360
Additions for the year	46,956	589
Cost at 31 December	1,239,821	118,949
Impairment losses and depreciation at 1 January	19,193	80,714
Depreciation for the year	19,193	6,075
Impairment losses and depreciation at 31 December	38,386	86,789
Carrying amount at 31 December	**1,201,435**	**32,160**

13. Investments in subsidiaries

	Parent company	
	2023	2022
	TDKK	TDKK
Cost at 1 January	311,712	273,053
Additions for the year	1,850	38,659
Cost at 31 December	313,562	311,712
Impairment losses for the year	-44,139	0
Value adjustments at 31 December	-44,139	0
Carrying amount at 31 December	**269,423**	**311,712**

Investments in subsidiaries are specified as follows:

Name	Place of registered office	Share capital	Ownership	Equity	Net profit/loss for the year
Ejendomsselskabet Fiolstræde ApS	Valby	TDKK 1.100	100%	32,953,914	-45,501
Ejendomsselskabet Skt. Petri ApS	Valby	TDKK 502	100%	462,771,965	57,190
NCH South ApS	København K	TDKK 600	100%	-23,562,433	-16,539
				472,163,446	**-4,850**

14. Inventories

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Finished goods and goods for resale	581	857	0	0
	581	**857**	**0**	**0**

Notes to the Financial Statements

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK

15. Derivative financial instruments

The Group entered into an interest rate cap and interest rate swaps, related to the financing of the building and investment property. The scope and nature of the Group's financial instruments are to hedge the risk of the floating rate against the fixed rate. The interest rate swaps and interest rate caps were entered into on 21 December 2022 and were initially measured at fair value and are subsequently classified as financial assets at fair value through the income statement. Hedge accounting has not been applied.

During the period, an expense of TDKK 28.585 was recognised in the group income statement in relation to fair value movements on the interest rate swaps and interest rate caps. Swap and cap interest expense of TDKK 5.508 was also recognised.

The fair value of the interest rate swaps and interest rate cap was determined through an independent professional assessment of the clean price through the use of valuation techniques. The associated accrued interest has been recognised based payments made at the value date. The total notional amount of the interest rate cap and interest rate swaps are DKK 994 million, and the interest to be paid by the Group is 2,5 % p.a. The term of the loans and the interest rate cap and interest rate swaps is 5 years with the last period to be paid in December 2027.

16. Prepayments

Prepayments comprise prepaid expenses concerning insurance premiums, subscriptions and interest.

17. Provision for deferred tax

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Deferred tax liabilities at 1 January	198,842	206,917	-2,116	-313
Amounts recognised in the income statement for the year	9,363	-8,075	2,116	-1,803
Deferred tax liabilities at 31 December	**208,205**	**198,842**	**0**	**-2,116**
Recognised in the balance sheet as follows:				
Assets	0	6,116	0	2,116
Provisions	-208,205	-204,958	0	0
	208,205	**198,842**	**0**	**-2,116**

18. Long-term debt

Payments due within 1 year are recognised in short-term debt. Other debt is recognised in long-term debt.

The debt falls due for payment as specified below:

	Group		Parent company	
	2023	2022	2023	2022
	TDKK	TDKK	TDKK	TDKK
Credit institutions				
After 5 years	0	0	0	0
Between 1 and 5 years	663,132	661,898	0	0
Long-term part	663,132	661,898	0	0
Within 1 year	0	0	0	0
	663,132	**661,898**	**0**	**0**
Payables to group enterprises				
After 5 years	0	0	0	0
Between 1 and 5 years	274,878	229,086	273,587	266,346
Long-term part	274,878	229,086	273,587	266,346
Other short-term debt to group enterprises	0	0	1,422	0
	274,878	**229,086**	**275,009**	**266,346**
Other payables				
After 5 years	0	0	0	0
Between 1 and 5 years	0	767	0	0
Long-term part	0	767	0	0
Other short-term payables	7,355	5,184	416	455
	7,355	**5,951**	**416**	**455**

19. Deferred income

Deferred income consists of payments received in respect of income in subsequent years.

Notes to the Financial Statements

20. Cash flow statement - Adjustments

	Group 2023	Group 2022
	TDKK	TDKK
Financial income	-1,351	-6
Financial expenses	89,641	16,759
Depreciation, amortisation and impairment losses, including losses and gains on sales	29,267	29,133
Value adjustments of assets held for investment	41,100	20,205
Tax on profit/loss for the year	8,150	-6,862
	166,807	**59,229**

21. Cash flow statement - Change in working capital

	Group 2023	Group 2022
	TDKK	TDKK
Change in inventories	276	-857
Change in receivables	33,188	-40,857
Change in trade payables, etc	6,934	-36,491
Other changes in working capital	0	3,384
	40,398	**-74,821**

22. Contingent assets, liabilities and other financial obligations

Charges and security

The following assets have been placed as security with bankers:
At 31 December 2023, mortgage deeds of a nominal value of DKK 1.867 million in the Group's building and investment property with a carrying value of DKK 1.230 million and DKK 175 million have been pledged as security for the bank debt, which at year-end amounts to DKK 663 million.

Guarantee obligations

The Group has issued Letters of Support to the subsidiaries to provide full financial support to the subsidiaries to enable them to meet their liabilities as they fall due and in particular the intercompany balances will not fall due before June 2025 unless the capital position in the subsidiaries allows for repayment.

22. Contingent assets, liabilities and other financial obligations

Other contingent liabilities

The Group companies are jointly and separately liable for tax on the jointly taxed incomes etc. of the Group.

The total amount of corporation tax payable is disclosed in the Annual Report.

SOF-12 Skt. Petri Bidco ApS is the management company of the joint taxation purposes for the Danish joint taxation.

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

Contractual obligations

The Group has entered into contractual obligations and the outstanding amount as per 31 December 2023 amounts to DKK 635 million, which relates to the refurbishment of the Hotel.

23. Related parties

	Basis
Controlling interest	
SOF-12 International SCSp (the Fund) Luxembourg	Parent - Ultimate controlling interest
SOF-12 Lux Masterco S.á r.l. Luxembourg	Parent - Controlling interest
SOF-12 Skt. Petri Holdco S.á r.l. Luxembourg	Parent - Controlling interest

Transactions

The Company has chosen only to disclose transactions which have not been made on an arm's length basis in accordance with section 98(c)(7) of the Danish Financial Statements Act.

The Company's intermediate and ultimate parent companies does not prepare consolidated financial statements.

24. Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

25. Accounting policies

The Annual Report of SOF-12 Skt. Petri Bidco ApS for 2023 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies applied remain unchanged from last year.

The Consolidated Financial Statements and the Parent Company Financial Statements for 2023 are presented in TDKK.

Recognition and measurement

The Financial Statements have been prepared under the historical cost method.

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, 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 flow 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 will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially 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 maturity period. Amortised cost is calculated as original cost less any repayments and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Basis of consolidation

The Consolidated Financial Statements comprise the Parent Company, SOF-12 Skt. Petri Bidco ApS, and subsidiaries in which the Parent Company directly or indirectly holds more than 50% of the votes or in which the Parent Company, through share ownership or otherwise, exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, items of a uniform nature are combined. Elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

The Parent Company's investments in the consolidated subsidiaries are set off against the Parent Company's share of the net asset value of subsidiaries stated at the time of consolidation.

Notes to the Financial Statements

Business combinations

Business acquisitions carried through on or after 1 July 2018

Acquisitions of subsidiaries are accounted for using the purchase method under which the identifiable assets and liabilities of the entity acquired are measured at fair value at the time of acquisition. Acquired contingent liabilities are recognised at fair value in the Consolidated Financial Statements to the extent that the value can be measured reliably.

The time of acquisition is the time when the Group obtains control of the entity acquired.

The cost of the entity acquired is the fair value of the consideration agreed, including consideration contingent on future events. Transaction costs directly attributable to the acquisition of subsidiaries are recognised in the income statement as incurred.

Positive differences between the cost of the entity acquired and identifiable assets and liabilities are recognised as goodwill in intangible assets in the balance sheet and are amortised in the income statement on a straight-line basis over their estimated useful lives. Where the differences are negative, they are recognised immediately in the income statement.

Where the purchase price allocation is not final, positive and negative differences from acquired subsidiaries due to changes to the recognition and measurement of identifiable net assets may be adjusted for up to 12 months after the time of acquisition. These adjustments are also reflected in the value of goodwill or negative goodwill, including in amortisation already made.

Where cost includes contingent consideration, this is measured at fair value at the time of acquisition. Contingent consideration is subsequently measured at fair value. Any value adjustments are recognised in the income statement.

In respect of step acquisitions, any previously held investments in the entity acquired are remeasured at fair value at the time of acquisition. The difference between the carrying amount of the investment previously held and the fair value is recognised in the income statement.

Pooling of interests

Intragroup business combinations are accounted for under the pooling-of-interests method. Under this method, the two enterprises are combined at carrying amounts, and no differences are identified. Any consideration which exceeds the carrying amount of the acquired enterprise is recognised directly in equity. The pooling-of-interests method is applied as if the two enterprises had always been combined by restating comparative figures.

Translation policies

Danish kroner is used as the presentation currency. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Exchange differences arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognised directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement; however, see the section on hedge accounting.

Income statements of foreign subsidiaries and associates that are separate legal entities are translated at transaction date rates or approximated average exchange rates. Balance sheet items are translated at the exchange rates at the balance sheet date. Exchange adjustments arising on the translation of the opening equity and exchange adjustments arising from the translation of the income statements at the exchange rates at the balance sheet date are recognised directly in equity.

Income statements of enterprises that are integrated entities are translated at transaction date rates or approximated average exchange rates; however, items derived from non-monetary balance sheet items are translated at the transaction date rates of the underlying assets or liabilities. Monetary balance sheet items are translated at the exchange rates at the balance sheet date, whereas non-monetary items are translated at transaction date rates. Exchange adjustments arising on the translation are recognised in financial income and expenses in the income statement.

Derivative financial instruments

Derivative financial instruments are initially recognised in the balance sheet at cost and are subsequently remeasured at their fair values. Positive and negative fair values of derivative financial instruments are classified as ”Other receivables” and ”Other payables”, respectively.

Changes in the fair values of derivative financial instruments are recognised in the income statement unless the derivative financial instrument is designated and qualify as hedge accounting.

Income statement

Revenue

Revenue from the sale of services is recognised when delivery and transfer of risk to the buyer have been made.

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Net revenue is recognized excluding VAT and with deductions for discounts and rent reductions for tenants.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve the consolidated revenue for the year.

Gross profit

With reference to section 32 of the Danish Financial Statements Act, gross profit/loss is calculated as a summary of revenue, expenses for raw materials and consumables and other external expenses.

Staff expenses

Staff costs include wages and salaries including compensated absence and pensions as well as other social security contributions etc. made to the entity's employees.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses comprise amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

Income from investments in subsidiaries

Dividends from subsidiaries are recognised as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Parent Company are set off against the cost of the subsidiary.

Notes to the Financial Statements

Financial income and expenses

Financial income and expenses comprise interest, financial expenses in respect of finance leases, realised and unrealised exchange adjustments, price adjustment of securities, amortisation of mortgage loans as well as extra payments and repayment under the on-account taxation scheme.

Tax on profit/loss for the year

Tax for the year consists of current tax for the year and deferred tax for the year. The tax attributable to the profit for year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The Company is jointly taxed with Danish Group companies. The tax effect of the joint taxation with the subsidiaries is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes (full allocation with credit for tax losses).

Balance sheet

Intangible fixed assets

Goodwill

Goodwill is amortised on a straight-line basis over the estimated useful life of 10 years, determined on the basis of Management's experience with the individual business areas.

Property, plant and equipment

Investment properties

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 assets 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.

Interest expenses on loans contracted directly for financing the construction of properties are recognised in cost over the construction period.

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 CBRE at 31 December 2023

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 2023 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.

Other property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Interest expenses on loans contracted directly for financing the construction of property, plant and equipment are recognised in cost over the construction period.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Buildings	50 years
Other fixtures and fittings, tools and equipment	3-20 years

Depreciation period and residual value are reassessed annually.

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment and investments are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Goodwill, head office buildings and other assets for which a separate value in use cannot be determined as the asset does not on an individual basis generate future cash flows are reviewed for impairment together with the group of assets to which they are attributable.

Investments in subsidiaries

Investments in subsidiaries are measured at cost. Where cost exceeds the recoverable amount, write-down is made to this lower value.

Other fixed asset investments

Other fixed asset investments consist of receivables from group enterprises.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realisable value.

The cost of goods for resale, raw materials and consumables equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised in respect of temporary differences concerning goodwill not deductible for tax purposes and other items - apart from business acquisitions - where temporary differences have arisen at the time of acquisition without affecting the profit for the year or the taxable income.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax assets and liabilities are offset within the same legal tax entity.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are offset if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Financial liabilities

Loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Mortgage loans are measured at amortised cost, which for cash loans corresponds to the remaining loan. Amortised cost of debenture loans corresponds to the remaining loan calculated as the underlying cash value of the loan at the date of raising the loan adjusted for depreciation of the price adjustment of the loan made over the term of the loan at the date of raising the loan.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Deferred income

Deferred income comprises payments received in respect of income in subsequent years.

Cash Flow Statement

The cash flow statement shows the Group's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Notes to the Financial Statements

Cash flows from operating activities

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for changes in working capital and non-cash operating items such as depreciation, amortisation and impairment losses, and provisions. Working capital comprises current assets less short-term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property, plant and equipment as well as fixed asset investments.

Cash flows from financing activities

Cash flows from financing activities comprise cash flows from the raising and repayment of long-term debt as well as payments to and from shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise .

The cash flow statement cannot be immediately derived from the published financial records.

Financial Highlights

Explanation of financial ratios

Return on assets	Profit/loss of ordinary primary operations x 100 / Total assets at year end
Solvency ratio	Equity at year end x 100 / Total assets at year end
Return on equity	Net profit for the year x 100 / Average equity