

EFRF Denmark K/S

c/o CEJ Ejendomsadministration A/S
Meldahlsgade 5, 1.
1613 København V
Denmark

CVR no. 41 95 06 68

Annual report 2021/22

The annual report was presented and approved at
the Company's annual general meeting on

11 November 2022

Lorna Mackie

Chairman of the annual general meeting

Contents

Statement by the Executive Board	2
Independent auditor's report	3
Management's review	5
Company details	5
Operating review	6
Financial statements 1 July – 30 June	7
Income statement	7
Balance sheet	8
Statement of changes in equity	10
Notes	11

EFRF Denmark K/S
Annual report 2021/22
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Statement by the Executive Board

The Executive Board has today discussed and approved the annual report of EFRF Denmark K/S for the financial year 1 July 2021 – 30 June 2022.

The annual report has been 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 assets, liabilities and financial position at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 – 30 June 2022.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 11 November 2022
On behalf of EFRF LuxCo GP 1 S.à.r.l.:

Rowena Jane Giordani

Lorna Mackie

Independent auditor's report

To the shareholder of EFRF Denmark K/S

Opinion

We have audited the financial statements of EFRF Denmark K/S for the financial year 1 July 2021 – 30 June 2022 comprising income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 June 2022 and of the results of the Company's operations for the financial year 1 July 2021 – 30 June 2022 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 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.

Independent auditor's report

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

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

Copenhagen, 11 November 2022

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Henrik Y. Jensen
State Authorised
Public Accountant
mne35442

EFRF Denmark K/S
Annual report 2021/22
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Management's review

Company details

EFRF Denmark K/S
c/o CEJ Ejendomsadministration A/S
Meldahls­gade 5, 1.
1613 København V
Denmark

CVR no.:	41 95 06 68
Established:	16 December 2020
Registered office:	Copenhagen
Financial year:	1 July – 30 June

On behalf of EFRF LuxCo GP 1 S.á.r.l.

Rowena Jane Giordani
Lorna Mackie

Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 København Ø
CVR no. 25 57 81 98

Management's review

Operating review

Principal activities

The object of the Company is to own, develop, rent and manage real estate, directly and indirectly, as well as related business.

Development in activities and financial position

The Company's income statement for 2021/22 shows a profit of DKK 29,577,459 as against DKK 14,245,171 for the period 1 January 2021 – 30 June 2021. Equity in the Company's balance sheet at 30 June 2022 stood at DKK 405,445,929 as against DKK 330,354,623 at 30 June 2021.

Uncertainty regarding recognition and measurement

The Company's investment properties are measured at fair value using the income capitalisation method. The required return on investment is subject to material accounting estimates where fair value could deviate from the actual value of the investment properties.

Events after the balance sheet date

The Company has purchased investment properties of a total value of DKK 41.7 million in July 2022.

Financial statements 1 July – 30 June

Income statement

DKK	Note	1/7 2021- 30/6 2022	1/1 2021- 30/6 2021
Gross profit		<u>51,050,643</u>	<u>22,710,413</u>
Profit before financial income and expenses		<u>51,050,643</u>	<u>22,710,413</u>
Fair value adjustment of investment properties		-2,074,538	0
Other financial expenses	3	<u>-19,398,646</u>	<u>-8,465,242</u>
Profit for the year		<u><u>29,577,459</u></u>	<u><u>14,245,171</u></u>
Proposed profit appropriation			
Extraordinary dividend paid		34,318,873	16,555,928
Retained earnings		<u>-4,741,414</u>	<u>-2,310,757</u>
		<u><u>29,577,459</u></u>	<u><u>14,245,171</u></u>

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	<u>30/6 2022</u>	<u>30/6 2021</u>
ASSETS			
Fixed assets			
Property, plant and equipment			
	4		
Investment properties		<u>1,318,890,000</u>	<u>1,095,457,991</u>
Total fixed assets		<u>1,318,890,000</u>	<u>1,095,457,991</u>
Current assets			
Receivables			
Trade receivables		0	625,135
Other receivables		<u>48,241</u>	<u>0</u>
		<u>48,241</u>	<u>625,135</u>
Cash at bank and in hand		<u>46,334,982</u>	<u>14,969,736</u>
Total current assets		<u>46,383,223</u>	<u>15,594,871</u>
TOTAL ASSETS		<u><u>1,365,273,223</u></u>	<u><u>1,111,052,862</u></u>

Financial statements 1 July – 30 June

Balance sheet

DKK	Note	30/6 2022	30/6 2021
EQUITY AND LIABILITIES			
Equity			
Contributed capital		130	120
Retained earnings		<u>405,445,799</u>	<u>330,354,503</u>
Total equity		<u>405,445,929</u>	<u>330,354,623</u>
Liabilities			
Non-current liabilities			
Shareholder loan	5	336,300,000	266,500,000
Debt to credit institutions		<u>612,269,314</u>	<u>503,466,012</u>
		<u>948,569,314</u>	<u>769,966,012</u>
Current liabilities			
Current portion of debt to credit institutions		1,050,443	1,013,458
Trade payables		5,002,171	4,377,824
Payables to group entities		4,527,680	3,331,251
Other payables		<u>677,686</u>	<u>2,009,694</u>
		<u>11,257,980</u>	<u>10,732,227</u>
Total liabilities		<u>959,827,294</u>	<u>780,698,239</u>
TOTAL EQUITY AND LIABILITIES		<u>1,365,273,223</u>	<u>1,111,052,862</u>
Average number of full-time employees	2		
Contractual obligations, contingencies, etc.	6		
Related party disclosures	7		
Disclosure of events after the balance sheet date	8		

Financial statements 1 July – 30 June

Statement of changes in equity

DKK	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Proposed extraordinary dividends</u>	<u>Total</u>
Equity at 1 July 2021	120	330,354,503	0	330,354,623
Cash capital increase	10	79,832,710	0	79,832,720
Transferred over the profit appropriation	0	-4,741,414	34,318,873	29,577,459
Extraordinary dividends paid	<u>0</u>	<u>0</u>	<u>-34,318,873</u>	<u>-34,318,873</u>
Equity at 30 June 2022	<u><u>130</u></u>	<u><u>405,445,799</u></u>	<u><u>0</u></u>	<u><u>405,445,929</u></u>

Financial statements 1 July – 30 June

Notes

1 Accounting policies

The annual report of EFRF Denmark K/S for 2021/22 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Income statement

Gross profit

Pursuant to section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Revenue

Rental revenue from operating leases is recognised as income on a straight line basis over the lease period. When the Company provides incentives to its tenants, the cost of incentives is recognised over the lease period on a straight line basis.

Other external costs

Other external expenses comprise administration expenses, costs in relation to buildings, etc.

Value adjustment of investment properties

Value adjustment comprises the year's changes in the fair value of investment properties.

Financial expenses

Financial expenses comprise interest expense and borrowing costs.

Balance sheet

Property, plant and equipment

Investment properties

Investment properties comprise properties held to earn rentals, held for capital appreciation or both.

On initial recognition, investment properties are measured at cost including purchase price and directly related costs. The carrying amount also includes costs for improvements if the recognition criteria are met.

Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values are included in the income statement in the year in which they arise.

Financial statements 1 July – 30 June

Notes

1 Accounting policies (continued)

The properties are valued using the income capitalisation method where a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate. The calculated value is adjusted with expected future change in rental value, voids, capital expenses and other special circumstances.

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of forecast cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Cash at bank and in hand

Cash at bank and in hand comprise bank deposits.

Equity

Dividends

The expected dividends payment for the year is disclosed as a separate item under equity.

Liabilities

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at amortised cost.

Corporation tax and deferred tax

The Company is not subject to taxation.

Financial statements 1 July – 30 June

Notes

DKK	<u>1/7 2021- 30/6 2022</u>	<u>1/1 2021- 30/6 2021</u>
2 Average number of full-time employees		
Average number of full-time employees	<u>0</u>	<u>0</u>
3 Financial expenses		
Interest expense to group entities	14,517,419	6,227,501
Other financial costs	<u>4,881,227</u>	<u>2,237,741</u>
	<u>19,398,646</u>	<u>8,465,242</u>
4 Property, plant and equipment		
DKK		<u>Investment properties</u>
Cost at 1 July 2021		1,095,457,991
Additions for the year		<u>225,506,547</u>
Cost at 30 June 2022		<u>1,320,964,538</u>
Revaluations at 1 July 2021		0
Revaluations for the year		<u>-2,074,538</u>
Revaluations at 30 June 2022		<u>-2,074,538</u>
Carrying amount at 30 June 2022		<u>1,318,890,000</u>

Key assumptions:

Investment properties comprise 47 retail properties with various location in Denmark with a total area of 52,930 sqm. The yield is estimated at 4.77%.

Sensitivity analysis:

An increase of the exit yield by 0.25 percentage points would reduce the property value by DKK 66 million. A decrease in the exit yield by 0.25 percentage points would increase the property value by DKK 71 million at the balance sheet date.

Financial statements 1 July – 30 June

Notes

5 Non-current liabilities

DKK	Total debt at 30/06 2022	Outstanding debt after five years
Shareholder loan	336,300,000	336,300,000
Debt to credit institutions	613,319,757	557,587,465
	<u>949,619,757</u>	<u>893,887,465</u>

6 Contractual obligations, contingencies, etc.

As collateral for its mortgage debt, DKK 613,320 thousand, the company has provided collateral in investment properties with a carrying amount of DKK 1,318,890 thousand at 30 June 2022.

7 Related party disclosures

EFRF Denmark K/S is 100% owned by EFRF LuxCo LP 1 S.á.r.l

8 Disclosure of events after the balance sheet date

The Company has purchased investment properties of a total value of DKK 41.7 million in July 2022.