

# Denmark Regions K/ S

C/O Intertrust (Denmark) ApS  
Sundkrogsgade 21, 2100 Copenhagen Ø

CVR no. 42 97 20 29

## Annual report 2023

Approved at the Company's meeting of the Board of Directors on 20 June 2024

Chair of the meeting:

.....  
Pilvi Peltomäki

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## Statement by the Executive Board

Today, the Executive Board has discussed and approved the annual report of Denmark Regions K/S for the financial year 1 January - 31 December 2023.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023.

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

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

Copenhagen, 20 June 2024  
Executive Board:

.....  
Sarah Maria Camilleri

.....  
Matthew Peter Smith

## Independent auditor's report

To the partner of Denmark Regions K/S

### Opinion

We have audited the financial statements of Denmark Regions K/S for the financial year 1 January - 31 December 2023, which comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2023 and of the results of the Company's operations for the financial year 1 January - 31 December 2023 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

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

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

- ▶ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

## Independent auditor's report

- ▶ Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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

### Statement on the Management's review

Management is responsible for the Management's review.

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

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

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

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

Copenhagen, 20 June 2024  
EY Godkendt Revisionspartnerselskab  
CVR no. 30 70 02 28

Henrik Reedtz  
State Authorised Public Accountant  
mne24830

Emil Johnsen  
State Authorised Public Accountant  
mne50640

## Management's review

### Company details

Name	Denmark Regions K/S
Address, Postal code, City	C/O Intertrust (Denmark) ApS Sundkrogsgade 21, 2100 Copenhagen Ø
CVR no.	42 97 20 29
Established	12 January 2022
Registered office	Copenhagen
Financial year	1 January - 31 December
Executive Board	Sarah Maria Camilleri Matthew Peter Smith
Auditors	EY Godkendt Revisionspartnerselskab Dirch Passers Allé 36, P.O. Box 250, 2000 Frederiksberg, Denmark

## Management's review

### Business review

The company's purpose is to invest in, own, manage and develop real estate, as well as related businesses, directly or indirectly through holdings in other companies.

### Financial review

The income statement for 2023 shows a loss of DKK 17,876,128 against a loss of DKK 90,381 last year, and the balance sheet at 31 December 2023 shows equity of DKK 86,381,354. Management considers the Company's financial performance in the year unsatisfactory.

As the company's purpose is to invest in companies which owns properties, the Company's business processes and the valuation of investment properties in the Company's subsidiaries is affected by changes in the property market, including the general level of interest rates and economic conditions.

The market situation in the real estate sector is affected by uncertainty, as a result of high inflation and increasing interest rates. However, the company's activities have not been significantly affected by this.

The uncertainty related to interest rates and yields has created a gap between buyers' and sellers' expectation to sales prices of properties which is reflected in the lower transaction volume for investment properties in 2023.

This has been reflected in the valuation of the company's investments.

### Events after the balance sheet date

No events materially affecting the Company's financial position have occurred subsequent to the financial year-end.

## Financial statements 1 January - 31 December

### Income statement

Note	DKK	<u>2023</u>	<u>2022</u>
	<b>Gross profit/ loss</b>	-166,690	-90,381
	Income from investments in group enterprises	-17,709,524	0
	Financial income	86	0
	<b>Profit/ loss for the year</b>	<u>-17,876,128</u>	<u>-90,381</u>
	 <b>Recommended appropriation of profit/ loss</b>		
	Retained earnings/ accumulated loss	-17,876,128	-90,381
		<u>-17,876,128</u>	<u>-90,381</u>



## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	<u>2023</u>	<u>2022</u>
	<b>ASSETS</b>		
	<b>Fixed assets</b>		
3	<b>Investments</b>		
	Investments in group enterprises	86,284,046	59,635,777
		<u>86,284,046</u>	<u>59,635,777</u>
	<b>Total fixed assets</b>	<u>86,284,046</u>	<u>59,635,777</u>
	<b>Non-fixed assets</b>		
	<b>Receivables</b>		
	Receivables from group enterprises	118,951	1,000
		<u>118,951</u>	<u>1,000</u>
	<b>Cash</b>	<u>118,336</u>	<u>184</u>
	<b>Total non-fixed assets</b>	<u>237,287</u>	<u>1,184</u>
	<b>TOTAL ASSETS</b>	<u><u>86,521,333</u></u>	<u><u>59,636,961</u></u>

## Financial statements 1 January - 31 December

### Balance sheet

Note	DKK	2023	2022
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Share capital	1,000	1,000
	Group contribution	104,346,863	59,515,777
	Retained earnings	-17,966,509	-90,381
	<b>Total equity</b>	<u>86,381,354</u>	<u>59,426,396</u>
	<b>Liabilities other than provisions</b>		
	<b>Current liabilities other than provisions</b>		
	Trade payables	60,978	45,976
	Payables to group enterprises	79,001	164,589
		<u>139,979</u>	<u>210,565</u>
	<b>Total liabilities other than provisions</b>	<u>139,979</u>	<u>210,565</u>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>86,521,333</u></u>	<u><u>59,636,961</u></u>

- 1 Accounting policies
- 2 Staff costs
- 4 Contractual obligations and contingencies, etc.
- 5 Security and collateral
- 6 Related parties

## Financial statements 1 January - 31 December

### Statement of changes in equity

DKK	Share capital	Group contribution	Retained earnings	Total
Cash payments concerning formation of enterprise	1,000	0	0	1,000
Contribution from group	0	59,515,777	0	59,515,777
Transfer through appropriation of loss	0	0	-90,381	-90,381
<b>Equity at 1 January 2023</b>	1,000	59,515,777	-90,381	59,426,396
Contribution from group	0	44,831,086	0	44,831,086
Transfer through appropriation of loss	0	0	-17,876,128	-17,876,128
<b>Equity at 31 December 2023</b>	1,000	104,346,863	-17,966,509	86,381,354

As of 29 December 2023, the Company received group contribution in the form of a conversion of debt of DKK 44,831,086.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies

The annual report of Denmark Regions K/S for 2023 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to reporting class B entities and elective choice of certain provisions applying to reporting class C entities.

Pursuant to section 112(2) of the Danish Financial Statements Act, the Company has not prepared consolidated financial statements. The financial statements of Denmark Regions K/S are included in the consolidated financial statements of HighBrook Property Fund IV (Main), LP, Delaware, United States, (reg. no. \*)

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

#### Reporting currency

The financial statements are presented in Danish kroner (DKK).

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rate at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rate at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the most recent financial statements is recognised in the income statement as financial income or financial expenses.

#### Income statement

##### Gross profit/ loss

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit/loss in accordance with section 32 of the Danish Financial Statements Act.

##### Other external expenses

Other external expenses include the year's expenses relating to the Company's core activities, including expenses relating to administration etc.

##### Profit/ loss from investments in group entities

The item includes dividends from investments in group entities and associates. Dividend distributions that either exceed the profit for the year or where the carrying amount of the investments exceeds the consolidated carrying amounts of the group entity's net assets will indicate impairment for which reason an impairment test will have to be conducted.

##### Financial income

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial reporting period. The items comprise interest income and expenses, e.g. from group entities and associates, declared dividends from other securities and investments, financial expenses relating to finance leases, realised and unrealised capital gains and losses relating to other securities and investments, exchange gains and losses and amortisation of financial assets and liabilities.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Tax

The company is tax transparent. The company's owners are responsible for both current tax and deferred tax, and therefore these are included in the owners' computation of taxable income in relation to the size of the individual owner's share of the company.

##### Balance sheet

##### Investments in group entities

Investments in group entities and associates are measured at cost, which includes the cost of acquisition calculated at fair value plus direct costs of acquisition. If there is evidence of impairment, an impairment test is conducted. Where the carrying amount exceeds the recoverable amount, a write-down is made to such lower value.

##### Impairment of fixed assets

The carrying amount of investments in group entities is assessed for impairment on an annual basis.

Impairment tests are conducted on assets or groups of assets when there is evidence of impairment. The carrying amount of impaired assets is reduced to the higher of the net selling price and the value in use (recoverable amount).

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

##### Receivables

The Company has chosen IAS 39 as interpretation for impairment write-down of financial receivables.

Receivables are measured at amortised cost.

An impairment loss is recognised if there is objective evidence that a receivable or a group of receivables is impaired. If there is objective evidence that an individual receivable has been impaired, an impairment loss is recognised on an individual basis.

##### Prepayments

Prepayments recognised under "Assets" comprise prepaid expenses regarding subsequent financial reporting years.

##### Cash

Cash comprise cash and short term securities which are readily convertible into cash and subject only to minor risks of changes in value.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 1 Accounting policies (continued)

##### Liabilities

The Company has chosen IAS 39 as interpretation for liabilities.

Financial liabilities are recognised at the date of borrowing at the net proceeds received less transaction costs paid. On subsequent recognition, financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan. Financial liabilities also include the capitalised residual lease liability in respect of finance leases.

Other liabilities are measured at net realisable value.

#### 2 Staff costs

The Company has no employees.

#### 3 Investments

DKK	Investments in group enterprises
Cost at 1 January 2023	59,635,777
Additions	44,357,793
Cost at 31 December 2023	103,993,570
Impairment losses	-17,709,524
Value adjustments at 31 December 2023	-17,709,524
<b>Carrying amount at 31 December 2023</b>	<b>86,284,046</b>

##### Group entities

Name	Legal form	Domicile	Interest	Equity DKK	Profit/loss DKK
Denmark Blockbuster	ApS	Copenhagen	100.00%	29,086,525	-4,556,927
Denmark Olympia	ApS	Copenhagen	100.00%	50,057,977	-7,536,479
HB IV Denmark Royal	ApS	Copenhagen	100.00%	7,139,544	-4,589,830

#### 4 Contractual obligations and contingencies, etc.

##### Other contingent liabilities

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

#### 5 Security and collateral

Investments and subsidiaries at a carrying amount of DKK 86,284,046 at 31 December 2023 have been put up as security for subsidiaries' debt to mortgage credit institutions.

## Financial statements 1 January - 31 December

### Notes to the financial statements

#### 6 Related parties

Denmark Regions K/S' related parties comprise the following:

##### Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
HB IV Denmark Holding S.a.r.l.	Luxembourg	Participating interest

##### Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
HighBrook Property Fund IV (Main), LP		5 Heienhaff L-1736 Niederanven Luxembourg (LU)

##### Information about security for loans relating to group entities

Information about security for loans relating to group entities appears from 5, "Security and collateral".

# PENNEO

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

## Matthew Peter Smith

### Executive Board

On behalf of: The company

Serial number: *msmith@highbrookinvestors.com*

IP: 167.98.xxx.xxx

2024-06-20 15:28:06 UTC



## Sarah Maria Camilleri

### Executive Board

On behalf of: The company

Serial number: *scamilleri@highbrookinvestors.com*

IP: 212.59.xxx.xxx

2024-06-20 15:28:48 UTC

## Henrik Reedt Petersen

EY Godkendt Revisionspartnerselskab CVR: 30700228

### State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: *3b6e48a7-2646-4cac-bb32-eea55c75648c*

IP: 165.225.xxx.xxx

2024-06-20 19:53:19 UTC



## Emil Johnsen

EY Godkendt Revisionspartnerselskab CVR: 30700228

### State Authorised Public Accountant

On behalf of: EY Godkendt Revisionspartnerselskab

Serial number: *b9f8acbe-8ba9-44d5-95ef-40d1d425abad*

IP: 165.225.xxx.xxx

2024-06-21 07:12:58 UTC



## Pilvi Tuulia Peltomäki

### Chair of the meeting

On behalf of: The company

Serial number: *091bafc7-bb94-423e-9d14-ccdd75cf9a35*

IP: 147.161.xxx.xxx

2024-06-21 08:55:58 UTC



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