

AICT EUR Real Estate (DS) LP K/S

C/O TMF Denmark
H.C. Andersens Boulevard 38, 3. th
1553 København V

CVR No. 43334387

Annual Report 2023

2. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 27 June 2024

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Anders Nyboe Andersen
Chairman

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Management's Statement

Today, Management has considered and adopted the Annual Report of AICT EUR Real Estate (DS) LP K/S for the financial year 1 January 2023 - 31 December 2023.

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 31 December 2023 and of the results of the Company's operations for the financial year 1 January 2023 - 31 December 2023.

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.

Copenhagen, 27 June 2024

Executive Board

AICT EUR Real Estate (DS) GP ApS,
General partner
Manager

Dannie Wai
Manager

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George Fraser-Harding
Manager

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Anders Nyboe Andersen
Manager

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Fouad Sekour
Manager

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Independent Auditors' Report

To the Shareholders of AICT EUR Real Estate (DS) LP K/S

Opinion

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 2023 - 31 December 2023 in accordance with the Danish Financial Statements Act.

We have audited the financial statements of AICT EUR Real Estate (DS) LP K/S for the financial year 1 January 2023 - 31 December 2023, which comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies ("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 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.

Statement on Management's Review

Management is responsible for the 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 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 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 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

Independent Auditors' Report

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 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.

Hellerup, 27 June 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231

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René Otto Poulsen
State Authorised Public Accountant
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Henrik Hornbæk
State Authorised Public Accountant
mne32802

Company details

Company	AICT EUR Real Estate (DS) LP K/S C/O TMF Denmark H.C. Andersens Boulevard 38, 3. th 1553 København V
CVR No.	43334387
Date of formation	31 May 2022
Financial year	1 January 2023 - 31 December 2023
Executive Board	AICT EUR Real Estate (DS) GP ApS, General partner George Fraser-Harding Fouad Sekour Dannie Wai Anders Nyboe Andersen
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 2900 Hellerup CVR-no.: 33771231

Management's Review

The Company's principal activities

The Company's principal activities consist in rental of commercial properties.

Development in activities and the financial situation

The Company's Income Statement of the financial year 1 January 2023 - 31 December 2023 shows a result of DKK -4.835.896 and the Balance Sheet at 31 December 2023 a balance sheet total of DKK 341.217.322 and an equity of DKK 126.891.159.

Given the present market conditions, the result and development of the Company is considered acceptable.

For 2024, and as a consequence of the sale of the majority of the Company's properties in 2024, Management expect the result before value adjustments, to be at lower level than that of 2023.

Post financial year events

On an EGM held on 20 June 2024, and as a consequence of the sale of the majority of the Company's properties in 2024, the Board of directors decided to reduce the share capital from DKK 150,843,510 to DKK 85,584,020 at nominal value 1 DKK in order to pay out dividends to the Shareholder.

No other material subsequent events have taken place after the balance sheet date.

Accounting Policies

Reporting Class

The annual report 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.

The accounting policies applied remain unchanged from last year.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

The financial statement 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 amortized cost. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortization, 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 financial statement, i.e. losses and risks which prove or disprove matters which exist at the balance sheet date.

Income statement

Gross profit/loss

The Company has decided to aggregate certain items of the income statement in accordance with the provisions of Section 32 of the Danish Financial Statements Act.

Gross profit is a combination of the items of revenue, change in inventories of finished goods, work in progress and goods for resale, other operating income, costs for raw materials and consumables and other external expenses.

Revenue

Rental income is recognised in the income statement for the period to which the income relates.

Rental discounts are recognised in the income statement on a straight-line basis over the rental period.

Accounting Policies

Other external expenses

Other external expenses include operating expenses, administration etc.

Fair value adjustment of investment assets and debts

Adjustments of investment assets and debts measured at fair value are recognised as a separate item in the income statement.

Financial income and expenses

Financial income and expenses are recognised in the income statement based at 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 advance-payment of tax scheme.

Dividends from other investments are recognised as income in the financial year in which the dividends are declared.

Tax on profit/loss for the year

The Company is a tax transparent entity and therefore not subject to corporate tax.

Balance sheet

Property, plant and equipment

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 fair value. The fair value of the properties is reassessed annually based on the valuation model.

The fair value is determined based on a return-based model, where the net return is capitalized by applying a yield based 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.

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

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

Receivables

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

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.

Liabilities

Accounting Policies

Financial liabilities are recognised initially at the proceeds received net of transaction expenses incurred. In subsequent periods, financial liabilities are measured at amortized cost, corresponding to the capitalized 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 amortized cost, corresponding to the outstanding balance in case of cash loans. In case of bond loans, amortized 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 are measured at net realisable value.

Other payables

Other payables are measured at amortized cost, which usually corresponds to the nominal value.

Accruals and deferred income entered as liabilities

Accruals and deferred income entered as liabilities consist of payments received regarding income in the subsequent financial years.

Contingent assets and liabilities

Contingent assets and liabilities are not recognised in the Balance Sheet but appear only in the notes.

Income Statement

	Note	2023 DKK	2022 DKK
Gross profit		14.420.921	6.091.055
Fair value adjustments of investment properties		-11.456.394	-21.339.704
Profit from ordinary operating activities		2.964.527	-15.248.649
Other finance income	2	1.612	0
Finance expenses	3	-7.802.035	-3.867.806
Profit from ordinary activities before tax		-4.835.896	-19.116.455
Profit		-4.835.896	-19.116.455
Proposed distribution of results			
Retained earnings		-4.835.896	-19.116.455
Distribution of profit		-4.835.896	-19.116.455

Balance Sheet as of 31 December

	Note	2023 DKK	2022 DKK
Assets			
Investment property	4	287.500.000	274.550.000
Property, plant and equipment		287.500.000	274.550.000
Fixed assets			
		287.500.000	274.550.000
Short-term trade receivables		54.314	12.500
Short-term receivables from group enterprises		48.595.378	0
Other short-term receivables		478.126	1.356
Deferred income		87.315	73.211
Receivables		49.215.133	87.067
Cash and cash equivalents		4.502.189	10.128.915
Current assets		53.717.322	10.215.982
Assets		341.217.322	284.765.982

Balance Sheet as of 31 December

	Note	2023 DKK	2022 DKK
Liabilities and equity			
Contributed capital		150.843.510	91.086.350
Retained earnings		-23.952.351	-19.116.455
Equity		126.891.159	71.969.895
Mortgage debt		123.960.093	123.831.879
Payables to group enterprises		85.426.000	85.426.000
Long-term liabilities other than provisions	5	209.386.093	209.257.879
Prepayments received from customers		18.174	20.899
Trade payables		1.448.869	196.800
Payables to group enterprises		2.401.149	2.368.190
Other payables		706.961	597.319
Deposits, liabilities other than provisions		364.917	355.000
Short-term liabilities other than provisions		4.940.070	3.538.208
Liabilities other than provisions within the business		214.326.163	212.796.087
Liabilities and equity		341.217.322	284.765.982
Contingent liabilities	6		
Collaterals and assets pledges as security	7		
Related parties	8		

Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Equity 1 January 2023	91.086.350	-19.116.455	71.969.895
Cash capital increases	59.757.160	0	59.757.160
Profit (loss)	0	-4.835.896	-4.835.896
Equity 31 December 2023	150.843.510	-23.952.351	126.891.159

Of the cash capital increases, DKK 48.595.378 was adopted 29 December 2023, and has been paid to the company 02 January 2024.

Notes

1. Employee benefits expense

Average number of employees	0	0
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2. Other finance income

Other finance income	1.612	0
	1.612	0

3. Finance expenses

Finance expenses arising from group enterprises	4.330.624	2.135.650
Other finance expenses	3.471.411	1.732.156
	7.802.035	3.867.806

Other finance expenses include interest on mortgage, amortization of loan costs and other interest paid to bank or other institutions.

4. Investment property

Cost at the beginning of the year	295.790.965	0
Addition during the year	24.410.167	295.790.965
Cost at the end of the year	320.201.132	295.790.965
Fair value adjustments at the beginning of the year	-21.240.965	0
Adjustments for the year	-11.460.167	-21.240.965
Fair value adjustments at the end of the year	-32.701.132	-21.240.965
Carrying amount at the end of the year	287.500.000	274.550.000

The properties consists of commercial leases within retail.

Investment properties are measured at fair value. The fair value is calculated by using generally accepted valuation methods based on management's assessment of normalised NOI, return requirements (return-based model). The fair value adjustment for the year has been recognised in the income statement.

The valuation is based on the net income capitalisation method considering yields in the range from 5.48% to 6.23% and an occupancy rate of 100% (return-based model).

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.

5. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Mortgage debt	123.960.093	0	120.836.046
Payables to group enterprises	85.426.000	0	85.426.000
	209.386.093	0	206.262.046

Notes

6. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

7. Collaterals and securities

Mortgage debt is secured by mortgages in properties amounting to TDKK 123,960.

The carrying amount of mortgaged properties is TDKK 233.000.

8. Related parties

The name and registered office of the parent company preparing consolidated accounts for the smallest group in which the Danish company is a subsidiary is:

Aviva Investors Real Assets FCP-RAIF – Aviva Investors Climate Transition EUR Real Estate Fund, registered office at 2, Rue du Fort Bourbon, L-1249 Luxembourg, Grand Duchy of Luxembourg with registration number K2139.