

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 2022

1. financial year

The Annual Report was presented and
adopted at the Annual General Meeting of
the Company on 30 June 2023

Dorthe Christine Hvidkjaer
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 31 May 2022 - 31 December 2022.

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 2022 and of the results of the Company's operations for the financial year 31 May 2022 - 31 December 2022.

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, 30 June 2023

Executive Board

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

George Fraser-Harding
Manager

Fouad Sekour
Manager

Dannie Wai
Manager

Anders Nyboe Andersen
Manager

Independent Auditors' Report

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

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position of the company at 31 December 2022 and of the results of the company's operations for the financial year 31 May 2022 - 31 December 2022 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 31 May 2022 - 31 December 2022, which comprise an income statement, balance sheet, statement of changes in equity and notes (financial statements).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibility under those standards and requirements are further described in the "Auditors' responsibility 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 (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statement 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 the Management's review, and we do not express any form of opinion providing assurance regarding the Management's review.

Our responsibility in connection with our audit of the financial statements 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 with the knowledge we have gained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review meets the disclosure requirements in the Danish Financial Statements Act.

Based on our procedures, we are of the opinion that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements in the Danish Financial Statements Act. In our opinion, the Management's review is not materially misstated.

Management's responsibility for the financial statements

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

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

The auditor's responsibility 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.

Independent Auditors' Report

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- * Identify and assess the risk of material misstatements in the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control.
- * Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- * 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 which we identify during our audit.

Hellerup, 30 June 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR-no. 33771231

René Otto Poulsen
State Authorised Public Accountant
mne26718

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	31 May 2022 - 31 December 2022
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 31 May 2022 - 31 December 2022 shows a result of DKK -19,116,455 and the Balance Sheet at 31 December 2022 a balance sheet total of DKK 284,765,982 and an equity of DKK 71,969,895.

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

For 2023, Management expect the result on a full year basis and before value adjustments, to be in line with that of 2022.

Post financial year events

No 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.

As the financial year 2022 is the Company's first financial year, the Financial Statements with associated notes have been prepared without comparative figures from the previous year.

Reporting currency

The annual report is presented in Danish kroner.

General information

Basis of recognition and measurement

The financial 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.

Accounting Policies

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

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.

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

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

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

Accounting Policies

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	2022 DKK
Gross profit		6,091,055
Fair value adjustments of investment properties		-21,339,704
Profit from ordinary operating activities		-15,248,649
Finance expenses	2	-3,867,806
Profit from ordinary activities before tax		-19,116,455
Profit		-19,116,455
 Proposed distribution of results		
Retained earnings		-19,116,455
Distribution of profit		-19,116,455

Balance Sheet as of 31 December

	Note	2022 DKK
Assets		
Investment property	3	274,550,000
Property, plant and equipment		<u>274,550,000</u>
Fixed assets		<u>274,550,000</u>
Short-term trade receivables		12,500
Other short-term receivables		1,356
Deferred income		73,211
Receivables		<u>87,067</u>
Cash and cash equivalents		<u>10,128,915</u>
Current assets		<u>10,215,982</u>
Assets		<u>284,765,982</u>

Balance Sheet as of 31 December

	Note	2022 DKK
Liabilities and equity		
Contributed capital		91,086,350
Retained earnings		-19,116,455
Equity		71,969,895
Mortgage debt		123,831,879
Payables to group enterprises		85,426,000
Long-term liabilities other than provisions	4	209,257,879
Prepayments received from customers		20,899
Trade payables		196,800
Payables to group enterprises		2,368,190
Other payables		597,319
Deposits, liabilities other than provisions		355,000
Short-term liabilities other than provisions		3,538,208
Liabilities other than provisions within the business		212,796,087
Liabilities and equity		284,765,982
Contingent liabilities	5	
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Statement of changes in Equity

	Contributed capital	Retained earnings	Total
Increase of capital	91,086,350	0	91,086,350
Profit (loss)	0	-19,116,455	-19,116,455
Equity 31 December 2022	<u>91,086,350</u>	<u>-19,116,455</u>	<u>71,969,895</u>

The share capital has been increased in 2022 with DKK 91,086,350.

Notes

1. Employee benefits expense

Average number of employees	0
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2. Finance expenses

Finance expenses arising from group enterprises	2,135,650
Other finance expenses	1,732,156
	3,867,806

3. Investment property

Addition during the year	295,790,965
Cost at the end of the year	295,790,965

Adjustments for the year	-21,240,965
Fair value adjustments at the end of the year	-21,240,965

Carrying amount at the end of the year	274,550,000
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The properties consists of commercial leases within retail.

The valuation is based on the net income capitalisation method considering yields in the range from 5.33% to 5.84% and an occupancy rate of 100%.

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 etc. The fair value adjustment for the year has been recognised in the income statement.

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.

A change in the average yield for the portfolio with +/- 0.25% results in a change of fair value of mDKK - 11.5 / + 12.5.

A change in the market rent for the portfolio with +/- 5% results in a change of fair value of mDKK + 13.8 / - 13.8.

4. Long-term liabilities

	Due after 1 year	Due within 1 year	Due after 5 years
Mortgage debt	123,831,879	0	120,836,046
Payables to group enterprises	85,426,000	0	85,426,000
	209,257,879	0	206,262,046

5. Contingent liabilities

No contingent liabilities exist at the balance sheet date.

6. Collaterals and securities

Mortgage debt is secured by mortgages in properties amounting to TDKK 123,832.

Notes

The carrying amount of mortgaged properties is TDKK 240.750.

7. 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.