Annual report for the period
1 January to 31 December 2024

Engmarken 11 A/S
C/O Aurora North ApS, August Bournonvilles Passage 1, 1055 København K
CVR no. 33 87 28 87

Adopted at the annual general meeting on 8 April 2025

Hannibal Busack Søberg
chairman

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Statement by management on the annual report

The executive board has today discussed and approved the annual report of Engmarken 11 A/S for the financial year 1 January - 31 December 2024.

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 company's financial position at 31 December 2024 and of the results of the company's operations for the financial year 1 January - 31 December 2024.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

We recommend the adoption of the annual report at the annual general meeting.

Copenhagen, 8 April 2025

Executive board

Kristian Foss | Hannibal Busack Søberg | Zheng Yao

Independent auditor's report

To the shareholder of Engmarken 11 A/S

Opinion

We have audited the financial Statements of Engmarken 11 A/S for the financial year 1 January - 31 December 2024, 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 2024, and of the results of the Company's operations for the financial year 1 January - 31 December 2024 in accordance with the Danish Financial Statements Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and 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.

Independent auditor's report

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 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 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 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.

Independent auditor's report

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 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.

Odense, 8 April 2025
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Morten Schougaard Sørensen
State Authorised Public Accountant
mne32129

Company details

The company	Engmarken 11 A/S C/O Aurora North ApS August Bournonvilles Passage 1 1055 København K	
	CVR no.:	33 87 28 87
	Reporting period:	1 January - 31 December 2024
	Domicile:	Copenhagen
Executive board	Kristian Foss Hannibal Busack Søberg Zheng Yao	
Auditors	EY Godkendt Revisionspartnerselskab Cortex Park Vest 3 5230 Odense M	

Management's review

Business review

The company's purpose is to invest in real estate, administrate and manage real estate as well as other related activities.

Financial review

The company's income statement for the year ended 31 December 2024 shows a profit of DKK 331,076, and the balance sheet at 31 December 2024 shows equity of DKK 4,151,706.

Income statement 1 January - 31 December

	Note	2024	2023
		DKK	DKK
Gross profit		**4,968,600**	**4,879,932**
Fair value adjustments of investment properties		1,967,713	-747,344
Profit/loss before net financials		**6,936,313**	**4,132,588**
Financial income	3	735,507	455,233
Financial costs	4	-6,549,001	-6,314,441
Profit/loss before tax		**1,122,819**	**-1,726,620**
Tax on profit/loss for the year	5	-791,743	-533,351
Profit/loss for the year		**331,076**	**-2,259,971**
Extraordinary dividend for the year		0	463,981
Retained earnings		331,076	-2,723,952
		331,076	**-2,259,971**

Balance sheet 31 December

	Note	2024	2023
		DKK	DKK
Assets			
Investment properties	6	102,236,695	100,268,982
Tangible assets		**102,236,695**	**100,268,982**
Total non-current assets		**102,236,695**	**100,268,982**
Trade receivables		90,023	3,548
Other receivables		7,476	757,333
Prepayments		2,901	0
Receivables		**100,400**	**760,881**
Cash at bank and in hand		**14,422**	**0**
Total current assets		**114,822**	**760,881**
Total assets		**102,351,517**	**101,029,863**

Balance sheet 31 December

	Note	2024	2023
		DKK	DKK
Equity and liabilities			
Share capital		600,000	600,000
Retained earnings		3,551,706	3,220,631
Equity		**4,151,706**	**3,820,631**
Provision for deferred tax		18,289,051	17,715,041
Total provisions		**18,289,051**	**17,715,041**
Mortgage loans		72,560,533	71,793,434
Deposits		4,217,830	4,135,127
Total non-current liabilities	7	**76,778,363**	**75,928,561**
Short-term part of long-term debt	7	190,821	223,279
Banks		0	2
Trade payables		220,340	189,525
Payables to group entities		1,975,574	2,464,471
Joint taxation contributions payable		444,291	509,498
Other payables		301,371	178,855
Total current liabilities		**3,132,397**	**3,565,630**
Total liabilities		**79,910,760**	**79,494,191**
Total equity and liabilities		**102,351,517**	**101,029,863**
Contingent liabilities	9		
Mortgages and collateral	10		
Financial instruments	11		

Statement of changes in equity

	Share capital	Retained earnings	Total
	DKK	DKK	DKK
Equity at 1 January 2024	600,000	3,220,630	3,820,630
Net profit/loss for the year	0	331,076	331,076
Equity at 31 December 2024	**600,000**	**3,551,706**	**4,151,706**

Notes

1 Accounting policies

The annual report of Engmarken 11 A/S for 2024 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as a selection of provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2024 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits 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 from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any installments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, property expenses and other external expenses.

Notes

1 Accounting policies

Revenue

The Company has chosen IAS 18 as interpretation for revenue recognition.

Revenue comprises rental income from leases of properties. Revenue is recognized on an actual basis. Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Other external expenses

Other external expenses include expenses related to administration, etc.

Property expenses

Property expenses include expenses relating to the operation and maintenance of properties, including property management.

Value adjustments of investment properties

Value adjustments of investment property comprise the year's changes in the fair value of investment property.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses, realised and unrealised exchange gains and losses on foreign currency transactions, amortisation of financial liabilities and fair value adjustments on financial instruments, etc.

Tax on profit/loss for the year

The company is subject to the Danish rules on compulsory joint taxation.

On payment of joint taxation contributions, the current Danish income tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have been able to use tax losses to reduce their own taxable profits.

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Notes

1 Accounting policies

Balance sheet

Investment properties

Investment properties are measured at cost at first recognition. After the first recognition investment properties are measured at fair value. Annual changes in fair value is recognized in the income statement. The fair value is calculated on free cash flow from the property and a market yield for a comparable property (a DCF-model).

Fair value is determined based on the principal market, if no market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset less transactions costs.

The fair value is classified based on the fair value hierarchy, see below:

Level 1: Value based on the fair value of similar assets in an active market.

Level 2: Value based on generally accepted valuation methods on the basis of observable market information.

Level 3: Value based on generally accepted valuation methods and reasonable estimates based on non-observable market information.

If a reliable fair value cannot be estimated according to the above levels, the asset or liability is measured at cost.

Receivables

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

Receivables are measured at amortised cost, which usually corresponds to the nominal value.

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 is impaired, an impairment loss for that individual asset is recognised.

Prepayments

Prepayments recognised under 'Current assets' comprises expenses incurred concerning subsequent financial years.

Cash and cash equivalents

Cash and cash equivalents comprise cash and deposits at banks.

Notes

1 Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively. Deferred tax is measured at net realisable value.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Liabilities

The Company has chosen IAS 39 as interpretation for recognition and measurement of liabilities.

Financial liabilities relating to investment properties are measured at amortised cost.

Other liabilities are measured at net realizable value.

Foreign currency translation

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

Derivative financial instruments

On initial recognition in the balance sheet, derivative financial instruments are measured at cost and subsequently at fair value. Positive and negative fair values of derivative financial instruments are included in 'Other receivables' or 'Other payables', respectively.

The fair value of derivative financial instruments is classified based on the fair value hierarchy, which is described under accounting policies for Investment Properties.

As for derivative financial instruments that do not qualify for hedge accounting, fair value adjustments are recognised in the income statement on a current basis.

Notes

		2024	2023
		DKK	DKK
2	**Staff costs**		
	Number of fulltime employees on average	0	0
3	**Financial income**		
	Other financial income	735,507	455,233
		735,507	**455,233**
4	**Financial costs**		
	Financial expenses, group entities	78,543	119,902
	Other financial costs	5,720,607	5,368,756
	Fair value adjustments of financial instruments	749,851	825,783
		6,549,001	**6,314,441**
5	**Tax on profit/loss for the year**		
	Current tax for the year	444,291	509,498
	Deferred tax for the year	574,010	-7,829
	Adjustment of tax concerning previous years	-226,558	31,682
		791,743	**533,351**

Notes

6 Tangible assets

	Investment properties
	DKK
Cost at 1 January 2024	42,432,054
Cost at 31 December 2024	42,432,054
Fair value adjustments at 1 January 2024	57,836,928
Fair value adjustments for the year	1,967,713
Fair value adjustments at 31 December 2024	59,804,641
Carrying amount at 31 December 2024	**102,236,695**
Fair value level	3

The valuation is based on DCF-model with a WACC of 7.88% (2023: 7.88%) and a budget period of 10 years. Inflation is assumed to be 2.00% (2023: 2.00%). The property is a commercial property placed in the area of Brabrand and is fully rented. The rent agreement cannot be terminated until mid 2032. Rent is expected to increase with 2.00% per year (2023: 2.00%). The valuation is based on an average rent of DKK 450 per sqm. (2023: DKK 441 per sqm.) and cost of DKK 6 per sqm. (2023: DKK 6 per sqm.). The valuation corresponds to DKK 8,037 per sqm. (2023: DKK 7,882 per sqm.). If the WACC was decreased with 0.25% the value would increase by DKK 3,352 thousand and if the WACC was increased with 0.25% the value would decrease by DKK 3,146 thousand.

7 Long term debt

	Debt at 1 January 2024	Debt at 31 December 2024	Instalment next year	Debt outstanding after 5 years
	DKK	DKK	DKK	DKK
Mortgage loans	72,016,713	72,751,354	190,821	0
Deposits	4,135,127	4,217,830	0	4,217,830
	76,151,840	**76,969,184**	**190,821**	**4,217,830**

Notes

8 Capital situation

The Company is part of a Group of Companies in the Aurora Group. The Companies are financed by the same lender and they have mutually provided the properties in the Companies as collateral. Furthermore, the Companies have guaranteed across the Group for the loan commitments in all the Companies. Based on the agreements the Company expects to be able to maintain the existing Group external and Group internal financing.

9 Contingent liabilities

The company is jointly taxed with Aurora DK AdminCo ApS (management company), and jointly and severally liable with other jointly taxed entities for payment of income taxes for income year 2022 onwards as well as for payment of withholding taxes on dividends, interest and royalties which fall due for payment on or after 1 October 2022.

10 Mortgages and collateral

Investment properties with a carrying amount of DKK 102,237 thousand at 31 December 2024 have been provided as collateral for debt to mortgage credit institutions of DKK 72,751 thousand.

Furthermore, the investment properties have been provided as collateral for debt in sister companies in the Aurora Group and guarantee has been provided across the Group.

11 Financial instruments

The company has purchased a financial instrument to cap the interest on a future mortgage loan. In the interest cap, the variable interest is capped at 2.75% until 2025. The cap covers a total loan amount of DKK 72,751 thousand. The fair value of this at 31 December 2024 amounts to DKK 7 thousand and is included under "Other Receivables". The financial instrument is recognised at fair value level 2 and no material non-observable inputs are included in the valutation.