

Priorparken 39 ApS
Skovvejen 11 st., 8000 Aarhus

Annual report
2023

Company reg. no. 26 65 98 25

The annual report was submitted and approved by the general meeting on the 29 May 2024.

Johan Bengtsson
Chairman of the meeting

Notes to users of the English version of this document:

- This document is a translation of a Danish version of the document. In the event of any dispute regarding the interpretation of any part of the document, the Danish version of the document shall prevail.
- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points remain unchanged from Danish version of the document. This means that DKK 146.940 corresponds to the English amount of DKK 146,940, and that 23,5 % corresponds to 23.5 %.

Contents

Page

Reports

- 1 Management's statement
- 2 The independent practitioner's report

Management's review

- 4 Company information
- 5 Management's review

Financial statements 1 January - 31 December 2023

- 6 Accounting policies
- 10 Income statement
- 11 Balance sheet
- 13 Statement of changes in equity
- 14 Notes

Management's statement

Today, the Executive Board has approved the annual report of Priorparken 39 ApS for the financial year 2023.

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

We consider the chosen accounting policy to be appropriate, and 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 true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Aarhus, 29 May 2024

Executive board

Peter Frische

Johan Bengtsson

Anette Elisabet Ekström

The independent practitioner's report

To the Shareholders of Priorparken 39 ApS

Conclusion

We have performed an extended review of the financial statements of Priorparken 39 ApS for the financial year 1 January - 31 December 2023, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared under the Danish Financial Statements Act.

Based on the work performed, in our opinion, the financial statements give a true and fair view of the Company's financial position 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 conclusion

We conducted our extended review in accordance with the Danish Business Authority's Assurance Standard for Small Enterprises and FSR - Danish Auditors' standard on extended review of financial statements prepared in accordance with the Danish Financial Statements Act. Our responsibilities under those standards and requirements are further described in the "Practitioner's responsibilities for the extended review 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 evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

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.

Practitioner's responsibilities for the extended review of the Financial Statements

Our responsibility is to express a conclusion on the financial statements. This requires that we plan and perform procedures in order to obtain limited assurance for our conclusion on the financial statements and in addition perform specifically required supplementary procedures to obtain further assurance for our conclusion.

The independent practitioner's report

An extended review comprises procedures that primarily consist of making inquiries of Management and others within the Company, as appropriate, analytical procedures and the specifically required supplementary procedures as well as evaluation of the evidence obtained.

The procedures performed in an extended review are less than those performed in an audit, and accordingly, we do not express an audit opinion on the financial statements.

Statement on the Management's Review

Management is responsible for the Management's Review.

Our conclusion 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 extended review 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 extended review, 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 in the Management's Review.

Esbjerg, 29 May 2024

Martinsen

State Authorised Public Accountants
Company reg. no. 32 28 52 01

Lars Æbelø-Nielsen

State Authorised Public Accountant
mne33693

Company information

The company	Priorparken 39 ApS Skovvejen 11 st. 8000 Aarhus
	Company reg. no. 26 65 98 25
	Financial year: 1 January 2023 - 31 December 2023 22nd financial year
Executive board	Peter Frische Johan Bengtsson Anette Elisabet Ekström
Auditors	Martinsen Statsautoriseret Revisionspartnerselskab Edison Park 4 6715 Esbjerg N
Parent company	Areim Investment 5-6 ApS

Management´s review

Description of key activities of the company

Like previous years, the company's activity consists in operating a rental property from the investment property located at Priorparken 845, 4605 Brøndby.

Development in activities and financial matters

The gross profit for the year totals DKK 4.478.000 against DKK 4.922.000 last year. Income or loss from ordinary activities after tax totals DKK 1.801.000 against DKK 31.798.000 last year. Management considers the net profit or loss for the year satisfactory.

Last year's result is positively affected by the fair value adjustment of the investment property.

Accounting policies

The annual report for Priorparken 39 ApS has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

Changes in the accounting policies for investment properties

The enterprise has chosen to let an external commercial real estate broker participate in the valuation of the investment properties. This has caused a change in the measurement of the investment properties.

The fair value is in 2023 calculated using the discounted cash flow (DCF) model as the calculated net present value of expected cash flows from the individual properties. In 2022 the properties was measured using a returnbased model, by which the expected future cash flows for the following year, along with a rate of return determined by an external assessor, formed the basis for the fair value of the properties.

As the change in policies is implemented without any adjustment of comparative figures, the monetary effect of the changes in accounting policies for 2022 is unchanged.

Except for the above, the accounting policies remain unchanged from last year.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations amortisations, writedowns for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the company and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Accounting policies

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Income statement

Gross profit

Gross profit comprises rental income and external costs.

Rental income comprises income from renting out properties as well as collected common costs and is recognized in the income statement in the period to which the rent relates. Revenues relating to the heating account are recognized in the balance sheet as balances with tenants apart from the company's own share.

Other external costs comprise costs incurred for administration.

Costs concerning investment properties comprise operating costs, repair and maintenance costs, taxes, charges, and other costs. Costs concerning the heating accounts are recognised in the statement of financial position as a balance with lessees apart from the company's own share.

Value adjustment of investment property

Value adjustment of investment property comprises value adjustments of properties at fair value and profit or loss from the disposal of properties.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Accounting policies

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

The company is subject to Danish rules on compulsory joint taxation of Danish group enterprises.

The current Danish income tax is allocated among the jointly taxed companies proportional to their respective taxable income (full allocation with reimbursement of tax losses).

Statement of financial position

Investment properties

At the initial recognition, investment properties are measured at cost, comprising the cost price of the property and any directly related costs.

Investment properties are subsequently measured at fair value, corresponding to the amount for which the individual property is estimated to be able to sell for on the balance sheet date to an independent buyer. The fair value is calculated using the discounted cash flow (DCF) model as the calculated net present value of expected cash flows from the individual properties.

The determination of the expected cash flows is based on the budgeted cash flows for the individual property for the following 11 years, including rental and price increases, as well as a calculated terminal value that expresses the value of normalized cash flows the property is expected to generate beyond the budget period. The calculated cash flows are discounted to present value using a discount factor which is assessed to reflect the market's current required return for similar properties. Compared to the latest financial year, the methods of measurement used have not been changed.

Costs adding new or improved qualities to an investment property compared to its condition at the time of acquisition, thereby improving the future return on the property, are added to the cost as an improvement. Costs which do not add new or improved qualities to an investment property are recognized in the income statement under the item "Costs concerning investment property".

Like other property, plant, and equipment except for land, investment property has a limited economic life. The impairment taking place concurrently with the ageing of the investment property is reflected in the continuing measurement of the investment property at fair value. Therefore, no systematic depreciations are made over the useful life of the investment property.

Value adjustments are recognized in the income statement under the item "Value adjustments of property".

Receivables

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

Accounting policies

Cash on hand and demand deposits

Cash on hand and demand deposits comprise cash at bank.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

The company is jointly taxed with consolidated Danish companies. The current corporate income tax is distributed between the jointly taxed companies in proportion to their taxable income and with full distribution with reimbursement as to tax losses. The jointly taxed companies are comprised by the Danish tax prepayment scheme.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Tax receivables from group enterprises" or "Income tax payable to group enterprises"

According to the rules of joint taxation, Priorparken 39 ApS is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Adjustments take place in relation to deferred tax concerning elimination of unrealised intercompany gains and losses.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Liabilities other than provisions relating to investment properties are measured at amortised cost.

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2023</u>	<u>2022</u>
Gross profit	4.478.058	4.922.113
Value adjustment of investment property	596.000	35.000.000
Other financial income from group enterprises	16.873	0
Other financial income	8.263	1.196.803
Other financial costs	<u>-2.613.527</u>	<u>-183.168</u>
Pre-tax net profit or loss	2.485.667	40.935.748
Tax on net profit or loss for the year	<u>-684.564</u>	<u>-9.137.441</u>
Net profit or loss for the year	<u>1.801.103</u>	<u>31.798.307</u>
Proposed distribution of net profit:		
Extraordinary dividend distributed during the financial year	0	45.911.859
Transferred to retained earnings	1.801.103	0
Allocated from retained earnings	<u>0</u>	<u>-14.113.552</u>
Total allocations and transfers	<u>1.801.103</u>	<u>31.798.307</u>

Balance sheet at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Non-current assets		
1 Investment properties	111.000.000	110.000.000
Total property, plant, and equipment	<u>111.000.000</u>	<u>110.000.000</u>
Total non-current assets	<u>111.000.000</u>	<u>110.000.000</u>
Current assets		
Trade debtors	99.271	0
Receivables from group enterprises	498.361	0
Tax receivables from group enterprises	250.060	155.224
Other receivables	6.797	0
Total receivables	<u>854.489</u>	<u>155.224</u>
Cash on hand and demand deposits	<u>267.784</u>	<u>2.634.132</u>
Total current assets	<u>1.122.273</u>	<u>2.789.356</u>
Total assets	<u>112.122.273</u>	<u>112.789.356</u>

Balance sheet at 31 December

All amounts in DKK.

Equity and liabilities		
<u>Note</u>	<u>2023</u>	<u>2022</u>
Equity		
Contributed capital	126.000	126.000
Retained earnings	38.732.562	34.931.459
Total equity	38.858.562	35.057.459
 Provisions		
Provisions for deferred tax	17.128.000	16.731.000
Total provisions	17.128.000	16.731.000
 Liabilities other than provisions		
2 Mortgage loans	50.511.152	52.093.512
3 Deposits	3.120.822	2.973.964
Total long term liabilities other than provisions	53.631.974	55.067.476
Current portion of long term payables	1.609.062	1.972.457
Trade payables	44.539	569.055
Income tax payable	0	990.738
Other payables	850.136	2.401.171
Total short term liabilities other than provisions	2.503.737	5.933.421
 Total liabilities other than provisions	56.135.711	61.000.897
 Total equity and liabilities	112.122.273	112.789.356
 4 Charges and security		
5 Contingencies		

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2022	126.000	49.045.011	49.171.011
Profit or loss for the year brought forward	0	-14.113.552	-14.113.552
Extraordinary dividend adopted during the financial year	0	45.911.859	45.911.859
Distributed extraordinary dividend adopted during the financial year.	0	-45.911.859	-45.911.859
Equity 1 January 2023	126.000	34.931.459	35.057.459
Profit or loss for the year brought forward	0	1.801.103	1.801.103
Shareholder contribution	0	2.000.000	2.000.000
	<u>126.000</u>	<u>38.732.562</u>	<u>38.858.562</u>

Notes

All amounts in DKK.

	<u>2023</u>	<u>2022</u>
1. Investment properties		
Cost 1 January 2023	42.053.025	42.053.025
Additions during the year	<u>404.000</u>	<u>0</u>
Cost 31 December 2023	<u>42.457.025</u>	<u>42.053.025</u>
Fair value adjustment 1 January 2023	67.946.975	35.000.000
Adjust of the year to fair value	<u>596.000</u>	<u>32.946.975</u>
Fair value adjustment 31 December 2023	<u>68.542.975</u>	<u>67.946.975</u>
Carrying amount, 31 December 2023	<u>111.000.000</u>	<u>110.000.000</u>

The property is located at Priorparken 845, 2605 Brøndby, with a total lettable area of 15.056 sqm extensive production and storage facilities.

Investment properties are, as per the description of the accounting policies applied, measured at fair value (Level 3 in the fair value hierarchy) using the Discounted Cash Flow (DCF) model. The DCF model calculates the present value of expected cash flows from the individual properties.

In determining the expected cash flows, the starting point is the budgeted cash flows for each individual property for the next 11 years, which includes rental and price increases. Additionally, a calculated terminal value is included, representing the value of the normalized cash flows that the property is expected to generate beyond the budget period. These calculated cash flows are then discounted to their present value using a discount rate that is considered to reflect the market's current required rates of return for similar properties, considering expected inflation.

The rate of return is determined based on market statistics, completed transactions, and management's knowledge of market conditions, generally. In setting the rate of return, various factors are taken into consideration, such as property type (residential, office, retail, etc.), location, age, condition, lease terms, and creditworthiness, among others.

Notes

All amounts in DKK.

1. Investment properties (continued)

The significant assumptions for the determined fair value are as follows:

	<u>31/12 2023</u>
Budget period (years)	11
Growth in rental income during the budget period for commercial properties, location (Denmark, Brøndby)	2%
Discount rate, commercial, location (Denmark, Brøndby) (%)	8
Vacancy rate, commercial, location (Denmark, Brøndby) (%)	21
Vacancy period (months)	18
Letting costs equal to 15% of the gross rent. (%)	15
Inflation rate (%)	2
Refurbishment cost of tenant-related areas, DKK	6.308.000
Roof refurbishment costs in the period 2024-2027, DKK	2.850.000

Rent per square meter for commercial leases: 692

A commercial real estate broker has participated in the valuation of the properties, resulting in a total fair value of DKK 111 million.

	<u>31/12 2023</u>	<u>31/12 2022</u>
2. Mortgage loans		
Total mortgage loans	52.120.214	54.065.969
Share of amount due within 1 year	<u>-1.609.062</u>	<u>-1.972.457</u>
	<u>50.511.152</u>	<u>52.093.512</u>
Share of liabilities due after 5 years	<u>41.923.555</u>	<u>44.538.089</u>
3. Deposits		
Total deposits	3.120.822	2.973.964
Share of amount due within 1 year	<u>0</u>	<u>0</u>
Total deposits	<u>3.120.822</u>	<u>2.973.964</u>
Share of liabilities due after 5 years	<u>3.120.822</u>	<u>2.973.964</u>

Notes

All amounts in DKK.

4. Charges and security

As collateral for mortgage loans, DKK 50.511 thousands, security has been granted on land and buildings representing a carrying amount of DKK 111.000 thousands at 31 December 2023.

5. Contingencies

Joint taxation

The company has entered into a joint taxation with Areim Investment 5-6 ApS, company reg. no 43632833 as administration company, the company is subject to the Danish scheme of joint taxation and unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for the total corporation tax. The joint taxation starts from 16.12.2022.

For the period 16.12.2022 - 31.12.2023 The company is unlimitedly, jointly, and severally liable, along with the other jointly taxed companies, for any obligations to withhold tax on interest, royalties, and dividends.

Any subsequent adjustments of corporate taxes or withholding tax, etc., may result in changes in the company's liabilities.