

Holck Invest ApS

Langforte 120, 6070 Christiansfeld

CVR no. 28 89 49 45

Annual report 2022/23

Approved at the Company's annual general meeting on 23 February 2024

Chair of the meeting:

.....
Heide Vestergaard Frandsen

The following is a translation of an original Danish document. The original Danish document is the governing document for all purposes, and in case of any discrepancy, the Danish wording will be applicable.

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Statement by the Board of Directors and the Executive Board

Today, the Executive Board has discussed and approved the annual report of Holck Invest ApS for the financial year 1 October 2022 - 30 September 2023.

The annual report, which has not been audited, has been prepared in accordance with the provisions of the Danish Financial Statements Act. The Executive Board has considered the criteria for omission of audit to be met.

In my opinion, the financial statements give a true and fair view of the financial position of the Company at 30 September 2023 and of the results of the Company's operations for the financial year 1 October 2022 - 30 September 2023.

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

It is proposed to the annual general meeting that the financial statements for 2023/24 should not be audited.

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

Christiansfeld, 23 February 2024
Executive Board:

.....
Heide Vestergaard Frandsen
CEO

The general meeting has decided that the financial statements for the coming financial year will not be audited.

Independent auditor's report on the compilation of financial statements

To the general management of Holck Invest ApS

We have compiled the financial statements of Holck Invest ApS for the financial year 1 October 2022 - 30 September 2023 based on the Company's bookkeeping and other information provided.

The financial statements comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed this compilation engagement in accordance with ISRS 4410 *Compilation Engagements*.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We have complied with relevant requirements in the Danish Auditors Act and International Ethics Standards Board for Professional Accountants' International Code of Ethics for Professional Accountants (IESBA Code), including principles of integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile the financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether the financial statements are prepared in accordance with the Danish Financial Statements Act.

Aabenraa, 23 February 2024
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Lars Mortensen
State Authorised Public Accountant
mne32743

Management's review

Company details

Name	Holck Invest ApS
Address, Postal code, City	Langforte 120, 6070 Christiansfeld
CVR no.	28 89 49 45
Established	13 July 2005
Registered office	Kolding
Financial year	1 October 2022 - 30 September 2023
Executive Board	Heide Vestergaard Frandsen, CEO
Accountant	EY Godkendt Revisionspartnerselskab Skibbroen 16, 6200 Aabenraa, Denmark

Management's review

Business review

The Company's principal activities comprise residential letting.

Financial review

The income statement for 2022/23 shows a profit of DKK 1,176,909 against a profit of DKK 991,491 last year, and the balance sheet at 30 September 2023 shows equity of DKK 3,942,736.

Financial statements 1 October 2022 - 30 September 2023

Income statement

Note	DKK	2022/23	2021/22
	Gross profit	1,036,650	1,093,888
2	Staff costs	-405,805	0
	Operating profit before fair value adjustments	630,845	1,093,888
	Fair value adjustment of investment property	95,000	425,000
	Profit before net financials	725,845	1,518,888
	Financial income	1,391,196	150,733
	Financial expenses	-725,432	-397,634
	Profit before tax	1,391,609	1,271,987
3	Tax for the year	-214,700	-280,496
	Profit for the year	1,176,909	991,491
	 Recommended appropriation of profit		
	Retained earnings	1,176,909	991,491
		1,176,909	991,491

Financial statements 1 October 2022 - 30 September 2023

Balance sheet

Note	DKK	<u>2022/23</u>	<u>2021/22</u>
	ASSETS		
	Fixed assets		
	Property, plant and equipment		
4	Investment property	21,431,242	20,856,242
		<u>21,431,242</u>	<u>20,856,242</u>
	Total fixed assets	<u>21,431,242</u>	<u>20,856,242</u>
	Non-fixed assets		
	Receivables		
	Other receivables	6,362,498	3,306,740
	Prepayments	1,617	0
		<u>6,364,115</u>	<u>3,306,740</u>
	Cash	<u>0</u>	<u>27,781</u>
	Total non-fixed assets	<u>6,364,115</u>	<u>3,334,521</u>
	TOTAL ASSETS	<u><u>27,795,357</u></u>	<u><u>24,190,763</u></u>

Financial statements 1 October 2022 - 30 September 2023

Balance sheet

Note	DKK	<u>2022/23</u>	<u>2021/22</u>
	EQUITY AND LIABILITIES		
	Equity		
	Share capital	125,000	125,000
	Retained earnings	3,817,736	2,640,827
	Total equity	<u>3,942,736</u>	<u>2,765,827</u>
	Provisions		
	Deferred tax	383,200	428,100
	Total provisions	<u>383,200</u>	<u>428,100</u>
	Liabilities other than provisions		
5	Non-current liabilities other than provisions		
	Mortgage debt	12,394,020	12,692,514
	Subordinate loan capital	7,574,921	7,028,133
	Deposits	530,817	408,114
		<u>20,499,758</u>	<u>20,128,761</u>
	Current liabilities other than provisions		
5	Short-term part of long-term liabilities other than provisions	358,389	540,029
	Bank debt	188,698	0
	Trade payables	836,111	73,359
	Corporation tax payable	419,400	242,175
	Payables to shareholders and Management	1,089,073	0
	Other payables	54,612	12,512
	Deferred income	23,380	0
		<u>2,969,663</u>	<u>868,075</u>
	Total liabilities other than provisions	<u>23,469,421</u>	<u>20,996,836</u>
	TOTAL EQUITY AND LIABILITIES	<u><u>27,795,357</u></u>	<u><u>24,190,763</u></u>

- 1 Accounting policies
- 2 Staff costs
- 6 Contractual obligations and contingencies, etc.
- 7 Collateral

Financial statements 1 October 2022 - 30 September 2023

Statement of changes in equity

DKK	Share capital	Retained earnings	Total
Equity at 1 October 2022	125,000	2,640,827	2,765,827
Transfer through appropriation of profit	0	1,176,909	1,176,909
Equity at 30 September 2023	125,000	3,817,736	3,942,736

Financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

1 Accounting policies

The annual report of Holck Invest ApS for 2022/23 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.

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).

Income statement

Revenue

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

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts and rebates granted are recognised in revenue.

Gross profit

The items revenue and external expenses have been aggregated into one item in the income statement called gross profit 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 distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Staff costs

Staff costs include wages and salaries, including compensated absence and pension to the Company's employees, as well as other social security contributions, etc. The item is net of refunds from public authorities.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as allowances and surcharges under the advance-payment-of-tax scheme, etc.

Tax

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

Financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

1 Accounting policies (continued)

Balance sheet

Property, plant and equipment

Investment properties are measured at fair value corresponding to the properties' market value. Changes in fair value are recognised in the income statement.

Fair value is determined based on an external assessment made by a valuation expert or alternatively on a generally accepted valuation method based on a return-based model.

Subsequent costs are added to the acquisition cost of the investment properties when it is probable that future economic benefits will flow to the Company when costs are incurred. Other costs incurred for repairs and maintenance are recognised in profit or loss as incurred.

Impairment of fixed assets

The carrying amount of intangible assets, property, plant and equipment and investments in group entities and associates 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. Impairment losses on goodwill are not reversed.

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.

Receivables in respect of which there is no objective evidence of individual impairment are tested for objective evidence of impairment on a portfolio basis. The portfolios are primarily based on the debtors' domicile and credit ratings in line with the Company's risk management policy. The objective evidence applied to portfolios is determined based on historical loss experience.

Impairment losses are calculated as the difference between the carrying amount of the receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

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 October 2022 - 30 September 2023

Notes to the financial statements

1 Accounting policies (continued)

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

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.

Subordinate loan capital

Liabilities where the creditors have stated they are willing to subordinate their claim to rank after all the entity's other creditors are presented as subordinate loan capital. Subordinate loan capital is recognised using the same method as applies to liabilities.

Deferred income

Deferred income recognised as a liability comprises payments received concerning income in subsequent financial reporting years.

Financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

1 Accounting policies (continued)

Fair value

The fair value measurement is based on the principal market. If no principal market exists, the measurement is based on the most advantageous market, i.e. the market that maximises the price of the asset or liability less transaction and/or transport costs.

All assets and liabilities which are measured at fair value, or whose fair value is disclosed, are classified based on the fair value hierarchy, see below:

Level 1: Value in an active market for similar assets/liabilities

Level 2: Value based on recognised valuation methods on the basis of observable market information

Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

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

Financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

DKK	<u>2022/23</u>	<u>2021/22</u>
2 Staff costs		
Wages/salaries	395,903	0
Other social security costs	9,902	0
	<u>405,805</u>	<u>0</u>
Average number of full-time employees	<u>1</u>	<u>0</u>
3 Tax for the year		
Estimated tax charge for the year	259,600	158,796
Deferred tax adjustments in the year	49,300	121,700
Tax adjustments, prior years	-94,200	0
	<u>214,700</u>	<u>280,496</u>

4 Investment property

The Company invests in rental property. Investment properties are recognised at fair value with value adjustment over the income statement, see the provisions in section 38 of the Danish Financial Statements Act.

Fair value estimation

The fair value of investment property is estimated for every single property on the basis of the budget for the coming year, adjusted for fluctuations of a one-off nature. This adjusted budget reflects 'normalised' results of operations and is used in combination with a relevant yield requirement to estimate the fair value based on a return-based model.

Significant fair value assumptions

The most important assumption for the fair value is the average required rate of return (6.75-7.25% for 2022/23 against 6.25-7.75% for 2021/22) depending on location, maintenance standard, etc. Return is computed as a standard year taking into consideration the term of the lease, size of the rent, solvency of the tenant, expected vacancies and the maintenance standard of the property.

5 Non-current liabilities other than provisions

DKK	<u>Total debt at 30/9 2023</u>	<u>Repayment, next year</u>	<u>Long-term portion</u>	<u>Outstanding debt after 5 years</u>
Mortgage debt	12,752,409	358,389	12,394,020	11,038,364
Subordinate loan capital	7,574,921	0	7,574,921	0
Deposits	530,817	0	530,817	0
	<u>20,858,147</u>	<u>358,389</u>	<u>20,499,758</u>	<u>11,038,364</u>

6 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company has no contractual obligations or contingencies at the balance sheet date.

Financial statements 1 October 2022 - 30 September 2023

Notes to the financial statements

7 Collateral

Mortgage deeds totalling DKK 1,998 thousand secured upon the property at Aastrupvej 82A, 6100 Haderslev with a carrying amount of DKK 1,824 thousand at 30 September 2023 have been provided as collateral for mortgage debt totalling DKK 928 thousand.

Mortgage deeds totalling DKK 4.192 thousand secured upon the property at Storegade 25, 6100 Haderslev with a carrying amount of DKK 6,108 thousand at 30 September 2023 have been provided as collateral for mortgage debt totalling DKK 2.768 thousand.

A mortgage deed totalling DKK 245 thousand secured upon the property at Nørremarksvej 1E, 6510 Gram with a carrying amount of DKK 399 thousand at 30 September 2023 has been provided as collateral for mortgage debt totalling DKK 0.

A mortgage deed totalling DKK 1,703 thousand secured upon the property at Birkvej 32, 6070 Christiansfeld with a carrying amount of DKK 1,205 thousand at 30 September 2023 has been provided as collateral for mortgage debt totalling DKK 936 thousand.

A mortgage deed totalling DKK 642 thousand secured upon the property at Storegade 87A, 6100 Haderslev with a carrying amount of DKK 1,410 thousand at 30 September 2023 has been provided as collateral for mortgage debt totalling DKK 245 thousand.

A mortgage deed totalling DKK 1,991 thousand secured upon the property at Niels Juhlers Toft, 6100 Haderslev with a carrying amount of DKK 2,460 thousand at 30 September 2023 has been provided as collateral for mortgage debt totalling DKK 888 thousand.

A mortgage deed totalling DKK 5,970 thousand secured upon the property at Lindedal 34, 6100 Haderslev with a carrying amount of DKK 7,805 thousand at 30 September 2023 has been provided as collateral for mortgage debt totalling DKK 5,772 thousand.

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Heide Vestergaard Frandsen

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Heide Vestergaard Frandsen

Dirigent

På vegne af: Holck Invest ApS

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Lars Gosvig Mortensen

EY Godkendt Revisionspartnerselskab CVR: 30700228

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